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ORVILLE LOTHROP FREEMAN

Addresses, Statements, etc. 1965

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U. S. Department of Agriculture
Office of the Secretary

25, 1965

I come to this Planning Policy and Governmental Relations Conference of the American Institute of Planners to ask your help.

President Johnson has expressed as one of his objectives "parity of opportunity for rural America in every aspect of our national life."

Not the least important aspect of parity of opportunity, I suggest to you, is parity of access to the services of professional planners.

Yours is primarily an urban profession. The great majority of the 3,400 members of your Society work in our cities. But that is not as it should be. For every urban problem there is a corresponding rural problem that is equally deserving of your attention.

Let me illustrate.

Your members struggle with the problems of urban slums and urban blight and the intolerably bad housing in our major cities. BUT ... there are more substandard, dilapidated, deteriorating houses in rural America than in all the cities of the nation put together -- three times as high a proportion. In the poorer regions of our beautiful countryside are shacks and cabins where the wind and rain and snow come in through the roofs and walls, with only a single stove and sometimes no heat at all. These are habitations which would be condemned in almost any city in America, but they remain standing in communities which have no building codes.

Address by Secretary of Agriculture Orville L. Freeman at the Planning Policy and Governmental Relations Conference of the American Institute of Planners, Manger-Hamilton Hotel, Washington, D. C., January 25, 1965, 12:30 p.m. (EST).

Your members are concerned with the planning of public facilities for our sprawling metropolises. BUT ... more than 14,000 rural communities of more than 100 population do not have even that most basic of public facilities -- a central water system. One out of every four farm homes and one out of every five rural non-farm homes has no running water at all. Nothing is quite so elemental to human dignity as to be able to take a bath, just an ordinary bath, in privacy. But millions of rural homes have nothing that can be called a bathroom.

Where there are no water systems, there can be no sanitation systems either. In many places, springs or deep wells provide pure water for individual farm houses. But in more compact rural settlements, this is not always possible. People haul their water from miles away, or they drive wells which tap contaminated water. In some of our poorer rural areas people regularly suffer what is called "summer complaint" -- a malady they have come to take for granted.

Your members are engaged in planning urban renewal. BUT ... rural renewal is just as vital -- the planning of modern rural communities to replace our rural slums and the re-planning of the use of land and water and other resources of the earth for the greatest benefit of all.

Your members are creating the city beautiful. BUT ... let our goal be to create, or preserve, a nation beautiful -- and most of America is rural.

(more)

You may be thinking that what I have been describing is not rural America as you have seen it. The reason is that there are two rural Americas. Most people, as they drive along the super-highways and see the fine old farmhouses, and the white-painted fences, and the tall corn and the fat livestock and the elm-lined village streets, may conclude that rural America needs nothing at all except just to be let alone. All we need to do is to keep urban sprawl from overrunning the countryside, and the pastoral beauty of the rural scene will always be there for city folk to drive out and admire.

But if you get off the beaten track -- away from the concrete and onto the dirt roads -- into the mountains and the hollows and the coastal swamplands -- you will see the other rural America. That is the rural America with half the poverty of our country, concentrated among 30 percent of the population -- a proportion of poverty twice as high as is found in cities and their suburbs.

Well, you may ask, why do people stay there? Why don't they pick up and move?

Many do. In the past decade, well over half of all rural counties experienced a net loss of population. But it is one thing for well-educated, self-sufficient young people to go from the farm to the city in search of economic opportunity. It is quite another for older people, ill-educated, perhaps in poor health, lacking any skill that is usable in an urban setting, to be driven out of rural areas by economic necessity and forced to move to the over-crowded city.

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It is this latter kind of forced migration that has given rise to so many of the social problems with which today's urban planners must contend. Rural poverty has been moved en masse to the cities to become urban poverty -- and the inherent evils of poverty have only been compounded by congestion and the family and social disorganization that takes place when people are uprooted.

An orderly migration of the well-prepared, yes. No one will discourage that. But a disorderly, forced migration of the ill-prepared, no. In our own country, as in much of the rest of the world, far too much of our urbanization has been of the latter character.

What is the alternative?

The alternative fundamentally, is the creation of economic opportunity in rural America that will enable people who want to stay in their home communities to make a decent living there.

The alternative is equal access to credit for rural people who would borrow for housing, for business investment, for community facilities.

The alternative is equal opportunity for every rural child to get a first-class education, from pre-school to college, so that he can participate effectively in developing the rural economy or, if he migrates to the city, can compete on equal terms for city jobs.

The alternative is a war on poverty in rural America on a scale equal to that which will be carried out in our urban centers.

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Finally, and basic to all of these, the alternative is rural planning -- at the local level, at the regional level, at the state level, with assistance from the Federal level. So I toss the ball to you.

How do we proceed?

Actually, we are underway. Throughout rural America today there is a great stirring of leadership. We are in the early stages, it may be, of a rural renaissance -- a renaissance that can lead ultimately to the full participation by rural America in the Great Society.

The roots of this renaissance lie deep. For half a century, the Cooperative Extension Service, through its County Agents in every rural county -- has been organizing rural citizen groups and working with these organizations in agricultural development, in 4-H Club activities, in the improvement of rural life in general. For a quarter of a century, rural cooperatives -- 1,000 of them -- have been bringing electricity, and now telephone service, to rural homes. Soil Conservation districts, blanketing almost all of America, are helping rural land owners plan the proper use of land and water. Some rural counties have appointed official planning bodies to develop land use plans.

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When I became Secretary of Agriculture, it seemed clear to me, based in part on my experience as Governor of Minnesota, that the time had come to broaden, unify, and strengthen the whole structure of rural leadership and rural planning. With the approval of President Kennedy, we held a series of regional Land and People Conferences and launched what came to be called Rural Areas Development. State and local leaders created Rural Areas Development Committees, with the personnel of our Department and of other Federal and State agencies as technical advisers.

This movement was given a powerful assist by the enactment, in 1961 and 1962, of programs of Federal financial aid.

Most important was the Area Redevelopment Act, which held out the promise of loans for industrial enterprises and grants and loans for related public investment provided the eligible areas would prepare a basic planning document known as an OEDP -- an Overall Economic Development Program. The preparation of an OEDP was the most comprehensive experiment in planning that many rural areas had ever undertaken. You planners know what a traumatic experience it can be for a community when its leaders organize to take a hard, realistic look at local problems and begin to seek solutions. Facts, when they are looked straight in the face, have a way of compelling action. Many of these communities will never be the same again.

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Along with the Area Redevelopment Act came new authorities and additional funds in the Department of Agriculture to lend for agricultural development, for farm forestry, for privately-operated outdoor recreation enterprises, for rural water systems. We have launched two unique experiments in planning, both in a limited number of counties -- one called rural renewal, administered by Rural Renewal authorities organized under state law, the other called Resource Conservation and Development, in which many sponsoring bodies join in the comprehensive planning of resource development and use in broad areas.

The Accelerated Public Works Act, passed in 1962, provided grants to both urban and rural communities for public works of all kinds.

With the passage of the Economic Opportunity Act, we enter a new and most important phase of rural developmental planning. Under that Act, rural as well as urban communities which form comprehensive anti-poverty organizations can apply for "Program Development Grants", as well as money to carry out programs which are developed.

The availability of Federal money is not the only impetus behind rural planning, but it comes very near to being the one indispensable influence. Unless the rural community sees some hope of being able to finance the execution of good plans, it is likely to lose interest fast. One major problem right now is that the Area Redevelopment Act is in a state of suspension, with funds for rural projects exhausted pending further legislation.

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USDA 212-65

As of today, more than three-fourths of all rural counties -- some 2,300 in number -- have a Rural Areas Development Committee under one or another name. They have engaged some 100,000 leaders in the planning process. They have completed, or have underway, nearly 10,000 projects for the betterment of their communities.

The time has come when we can now take stock of all this activity. I believe we can identify two principal ways in which our rural planning structure should be strengthened.

The first of these is to join the vitality of citizen leadership with the expertise of professional planning staff. This is, of course, "old hat" to you in this audience. You can imagine how much a City Planning Commission could accomplish if it relied upon volunteer effort alone without the aid of expert staff. Yet that is what our Rural Areas Development Committees have, to a large extent, been trying to do. They have not had the funds to hire full-time professionals, nor have we or any other Government agency had the funds to finance them.

The Economic Opportunity Act is, in this regard, a landmark in legislation affecting rural planning. It recognizes very clearly, from the outset, that local citizen bodies must be granted Federal assistance to hire professional staff. These professional people are going to come from a variety of backgrounds. Some will be educators, some social workers, some economic development specialists, some city planners. Whatever their

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USDA 212-65

backgrounds, it seems clear that what is actually happening is the creation of a wholly new profession -- or, if you prefer, a wholly new branch of the planning profession. Each of the existing professions which has a contribution to make to the war on poverty -- and yours is certainly one -- should be thinking of how we recruit and train people for the new profession of staffing local action organizations which are fighting the war on poverty in their home communities.

The second need in strengthening our rural planning structure is to extend the base of our planning from the county to the multicounty, or regional level. In rural America, counties are the basic political unit, and they have strong sense of identity -- indeed, of rivalry. But many of them, perhaps most of them, are too small to be satisfactory units for the planning of comprehensive economic development programs. Many of the institutions essential to economic growth, such as hospitals, vocational education centers, community or technical colleges, can only be supported on a regional basis. Major recreation developments transcend county boundaries. Industrial parks may be best laid out in relation to regional transportation patterns.

It is particularly necessary that, where a small city and its rural hinterland form a natural economic region, the planning of public facilities and institutions be done on a regional basis. If the city plans only for itself, then we often find that no one provides the

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necessary leadership to plan for the rural areas. To give you an example: Under the Economic Opportunity Act, the city of Lafayette, Louisiana, and 9 parishes surrounding Lafayette are joined in a single planning organization. The leadership comes largely from institutions and individuals in the central city, including the University of Southwestern Louisiana. Under the Act, presumably, the city could have formed an organization and developed a plan limited to the people of the city. If this course had been taken, it is difficult to see how some, at least, of the smaller parishes could ever have found the resources to move ahead on their own. It is particularly important that we guard against localism on the part of cities in planning economic and social development in natural regions which are of a mixed urban and rural composition.

The State of Georgia has established what may be a model structure which I commend to your examination. Recent legislation provided state matching funds for groups of counties which set up regional planning bodies and contributed from county funds a few cents per capita. By now, the greater part of the State is organized, and each of the regional bodies has its professional planning staff. Each contains one or more cities and is combined urban-rural in character.

As I said at the beginning, I ask your help --

First, in extending your thinking to rural as well as urban America, so that we do not plan our cities in an unplanned countryside.

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USDA 212-65

Second, in supporting the creation of regional planning bodies, within the states, which will create unified plans for rural areas and the smaller cities on which they center.

Third, in supporting measures which will help to assure rural America parity of opportunity with urban America -- in education, in housing, in community services, in economic development.

Fourth, in staffing, and working with, the citizen organizations engaged in Rural Areas Development and in waging war on rural poverty.

I ask, in short, that you devote your professional talents to helping rural America as well as urban America find its rightful place in our country's Great Society.

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AUG 16 1965

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U. S. Department of Agriculture
Office of the Secretary

27, 1965
The United States has achieved its primary agricultural mission of providing an abundance of food and fiber for its citizens, Secretary of Agriculture Orville L. Freeman said today.

"We have eliminated the primary cause of hunger and malnutrition, the twin evils which any nation must overcome if it is to provide the other needs which a dynamic and productive society requires."

He told a meeting of the Washington Food Group, an informal organization of farm and food representatives in the nation's capitol, that the United States now must undertake the equally formidable task of strengthening the farming economy that provides this abundance.

"We have come to the time and place in our history when all Americans must recognize that the achievement of abundance does not end their responsibilities to agriculture and to rural America."

The Secretary noted that the American people often overlook the benefits which are obtained from an efficient and highly productive agriculture. He cited these examples:

The average family spends less than 19 percent of its income for food, the lowest proportion of spendable income for food in history.

Excerpts of remarks prepared for delivery by Secretary of Agriculture Orville L. Freeman to the Washington Food Group at the Madison Hotel, Washington, D. C., Wednesday, January 27, 1965, 12:30 p.m., EST.

Fewer than 8 percent of the American work force is required to provide for the food needs of 190 million Americans, while in most countries agriculture still remains the major occupational group.

The Secretary pointed out that the United States is making intelligent use of its food abundance, and noted that in the past four years the techniques had been perfected for assuring that every person in the nation has access to an adequate diet.

Currently, he noted, more than 5.6 million persons in low income families receive food supplies through the Department's Direct Distribution program, and another 355,000 persons are participating in the Food Stamp program which supplements the food budget for low income families. In addition, over 16 million children enjoy a low cost lunch each day through the School Lunch program, and the Secretary said that special efforts are underway to extend this program into school districts which up until now have been unable to finance the program.

Secretary Freeman said that the technological revolution in agriculture which helped to make abundance a reality has caused changes in agriculture and rural America which have not been fully assimilated.

"There are, for example, only 400,000 farms where the operator is earning an income that is anywhere near a parity level to that of individuals with similar skills and resources in other occupations.

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USDA 253-65

"To achieve a greater income equity throughout commercial agriculture, we shall need and require commodity programs which continue to provide the farmer with the same economic protections extended to labor and industry through other measures of public policy.

"There is today in rural America, the segment of our economy which has sustained our achievement of abundance, a far narrower and more restricted range of job and income opportunities. Yet poverty is twice as prevalent there as in urban areas, and social, educational, welfare and health services are substantially poorer.

"To achieve parity of opportunity for the Americans who live in rural areas, we shall need and require support for a rural renaissance of the depth and power far greater than the imagination can grasp."

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USDA 253-65

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AUG 16 1965

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U.S. Department of Agriculture
Office of the Secretary

13/65

Through most of the past week I was in Western Europe for conferences with Common Market officials and public appearances related to exports of American agricultural products.

I also met with food trade and farm organization representatives. And at a food exposition I had the opportunity to talk with some of the key buyers -- housewives.

This trip in the interest of protecting and expanding foreign markets for agricultural products was not my first. Over the past four years I have been throughout the world, representing our farmers and food industry and government, promoting increased utilization of American food and fiber. Similar overseas efforts have been made by other representatives of Federal and State governments, of the food industry, and of farm and commodity organizations.

These combined efforts have had excellent results. Our agricultural exports in 1964 climbed to over \$6 billion -- an all-time high. They represented a fourth of the total of all U. S. exports. And Kentucky's share has an annual value in excess of \$65 million.

Our agricultural economy, our total economy, and our balance of payments are better because the products of American farms are needed, and wanted, abroad.

Around the world there is obvious appreciation for our food. Yet in Europe, the Middle East, in Asia and in Africa, and in the Soviet Bloc I have found interest in our food more than matched by admiration for American farmers.

All over this world the American farmer is looked upon as a maker of miracles. There's a reason why people in other lands picture the American farmer wearing a crown instead of a straw hat.

Address by Secretary of Agriculture Orville L. Freeman at the Governor's Conference on Agriculture, Sheraton Hotel, Louisville, Kentucky, February 3, 1965, 8 p.m., EST.

This is the reason:

The era of abundance the United States knows is still a goal for most countries. In some it has not even achieved the status of a goal -- it is still a dream. So all the world wants to know how our farmers created history's first era of abundance, and wants to know how they maintain it. So while the peoples of other lands listen with interest to the American food story told by our traveling salesmen, they pile question upon question as they seek more knowledge of the American farm story.

Perhaps there is an even better understanding abroad than here at home of the achievements of the American system of family farms, and that system's great contributions to the total welfare of our people.

I know this for sure:

There is a highly-publicized misunderstanding here at home of what our family farmers have accomplished, how they did it, how they can maintain it, and what the role of government has been and must be in the days ahead.

It is time to set the record straight.

Truth is the basic element in freedom -- and if the people of this Nation and their elected representatives are to be free of either passion or prejudice in determining public policy in a vital area like food and agriculture, they must operate in an atmosphere of truth.

It is time to set the record straight...time to review and explain fundamental facts...and I am accepting your courtesy and hospitality -- and your podium -- to do it here and now.

It is time to quit calling success by the name of failure.

It is time to quit calling the most successful free-enterprise productive system any society has ever known a relief-welfare state program.

(more)

USDA 326-65

It is time to quit equating a better life for one segment of our rural society with a lesser life for another, because such an equation down-grades our national sense of justice as well as the potential and the flexibility of our economy.

It is time to quit putting the labels of "pampered" or "subsidized" upon the backs of farm families who take hard risks, and work hard, and meet the demands of responsible citizenship. Those who cannot understand or appreciate their contributions should at least respect their dignity.

It is time to set the record straight, and here are basic facts:

The family farms of this Nation have created an abundance unparalleled in world history. Americans buy more of a greater variety of quality foods at less cost in terms of take-home pay than any other food buyers anywhere else in the world.

Since 1950 the cost of medical care has jumped 63 percent. Our consumers are paying 52 percent more for professional services than they did in 1950, and 38 percent more for transportation. Yet farm prices -- the prices that farmers receive for what they sell -- are lower now than in 1950. While Americans are paying 63 percent more for medical care, 52 percent more for professional services, and 38 percent more for transportation, our farmers are receiving 8 percent less for their products than they did 15 years ago.

What if the farmer were charging 63, or 52, or even 38 percent more? We would be eating less, and at the same time would be shifting money now being spent for the products of factories and for services into food.

Rather than the consumer-taxpayer subsidizing the farmer, the contrary is true.

In 1963, in testimony before the House Committee on Agriculture, I said that if the family farm is permitted to die "let the consumer beware." I repeat the warning, in all sincerity, in this year of 1965. It is the family farm system that enables our consumers to have it so good.

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USDA 326-65

And there's more to this great production story.

In addition to providing all the foods our people want to buy, and can buy, our farms produce enough more to provide healthful diets for those who cannot pay at all or can pay only part of the cost. These consumers, through the school lunch and school milk and food stamp and direct distribution programs, receive \$750 million worth of food each year.

The State of Kentucky is a pioneer in one of the most dynamic, and effective, of these efforts to wipe out diet deficiencies throughout our Nation -- the Food Stamp Program. Under this program low-income families have the opportunity to invest limited resources in better diets. Floyd County was one of the first eight counties in the country to try out the new food stamp approach, back in 1961. It was joined by Knott and Perry Counties in 1963. Since the summer of 1961, the Food Stamp Program has been responsible for \$4.4 million of new purchasing power in the three counties. Not only low-income families, but the entire economy of the area has benefited from this dignified, business-like approach to utilization of our food abundance.

Just this week four additional counties -- Breathitt, Johnson, Martin and Owsley -- adopted the Food Stamp Program. Along with Tennessee, Kentucky is first in benefiting from the expansion of this effort authorized by the Food Stamp Act of 1964.

Kentucky's utilization of the Food Stamp Program is a tribute to the vision and concern of Governor Breathitt, Economic Security Commissioner Powell and his staff, and your business and banking people who cooperate so well with the State Administration and the U.S. Department of Agriculture.

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Yet, we could not have moved nationally, or locally, into the Food Stamp Program unless there had been an abundance of food. The foundations of this program are found on family farms.

In addition to enough food for those who can pay, and for those who can pay none or part of the cost, our farmers have been producing enough more to permit hard sales abroad at the rate of \$4.5 billion dollars a year, plus \$1.76 billion worth a year to use as an instrument of U. S. foreign policy through our Food for Peace Program.

Life is richer, fuller, and more promising for all Americans because of this tremendous production achievement. If you classify as a miracle something that had never been made to happen before in all the long history of men and farms, we have a miracle on our hands.

Anyone who can find error and wrong-doing in that achievement can, believe me, criticize motherhood, turn his back on the flag, kick a friendly dog, and slap a baby all at the same time.

But food supply is only part of the family farm story.

Our family farms are prime consumers.

They spend more than \$29 billion a year on the goods and services related to agricultural production. They use more petroleum than any other industry. They take six percent of all the rubber consumed in the United States each year. They use five million tons of steel a year -- a third as much as the automotive industry. They consume about four percent of the Nation's electric power.

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Farmers spend another \$12 billion a year on family living -- for food, clothes, cars, furniture, medicine, and other products and services from town and city sources.

Farming employs 6.1 million workers, and three out of every 10 jobs in other employment are related to agriculture. Approximately 10 million Americans have jobs storing, transporting, processing, and merchandising the products of agriculture. Manufacturers of food and related products alone employ nearly 2 million workers and have an annual payroll of around \$9 million.

All Americans depend on the people of family farms as producers. A high proportion of American workers depend on them as consumers.

We should not -- we cannot -- underestimate the stake the Nation has in not only the continuation, but the strengthening, of this productive system.

We have been maintaining this free-enterprise productive system through farmer-government cooperation in commodity programs -- programs designed to adjust production to needs without waste of human or natural resources...programs designed to support prices received by farmers for many of the commodities they sell.

We couldn't have achieved the results we know without them. These programs will determine the future of efficient, commercial family farms and consequently are of critical importance to all Americans who benefit so much, in so many ways, from those farms.

It is these programs that are now under attack.

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It is charged they are no longer necessary...or are too expensive...or are helping the wrong farmers...or are relief efforts no longer needed in an affluent society...or are a combination of all of these.

Now, I am not a defender of the status quo in commodity programs. The mechanical methods of supply management and price support must be constantly adjusted. Those that are good can always be made better, those that are not responsive to changing needs and conditions must be updated. And we must be acutely conscious of cost.

But I do defend, and advance, the principle and purpose, and declare the success of these programs.

I want to make this clear:

1. These programs are essential to all Americans -- to every area of the society -- because all Americans reap substantial benefits from efficient commercial family farms.

2. If we abandon the principles of supply management and price support now, we shall sound the death knell of the family farm and bring an end to the era of abundance as we now know it.

3. While the goal of reducing the cost of commodity programs is a sound objective, one that can and must be achieved, we must constantly measure gains in government savings against possible economic and social losses to the whole of society. Efforts to cut costs must not be at the expense of parity of income for many thousands of farm families.

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4. Commodity programs are not now, nor have they been under this Administration, welfare programs. Commodity program expenditures are not a dole, they are an investment in good management of national resources.

5. Only a small number of farmers -- about five percent of the total -- are now earning incomes comparable to earnings in other segments of the economy where investments are similar. But even these farmers, independent non-government studies reveal, would experience a quick income loss of as much as 50 percent without the commodity programs. Actually, the larger family farms -- those grossing \$10,000 a year or more -- would suffer most. Such a knock-out blow for efficient farmers would be hard enough to shake the entire economy.

6. Creating new hazards for the efficient family farm will not ease the very real economic and social pain afflicting the families on small farms with inadequate productive resources. To do that would be applying the wrong remedies to the wrong ailments in double dosage.

President Johnson put the current agricultural picture in proper perspective in his recent Economic Message to the Congress.

"Americans owe much, to the efficiency of our farmers," the President said. "Their independent spirit and productive genius are the envy of the world. We must continue to assure them the opportunity to earn a fair reward for their efforts. I will transmit to the Congress recommendations for improving the effectiveness of our expenditures on price and income supports."

Then the President went on to say:

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"Many small farmers cannot expect to earn good incomes from farming. But they -- along with other rural Americans -- will have an opportunity to share in the fruits of our society through faster economic growth, better education and training opportunities, and improved health and community facilities. We must extend the benefits of American prosperity to all our people, including those in rural America."

The President's comments show recognition of two distinct, yet related, areas for rural opportunity development -- one in full-time farming based on adequate productive resources, the other in utilization of combined farm and non-farm earning opportunities. The second calls for the creation of new job opportunities in the rural communities for those who wish to do something other than farm, or need jobs that will augment returns from farms which in themselves cannot become adequate income sources.

Efforts to make the two areas of opportunity development competitive for attention and resources will benefit neither. These efforts must complement one another -- progress in one will enrich the other.

Commodity programs may mean 10 to 20 percent of net income to a small farmer, and are often indirectly helpful in other ways. But commodity programs alone will not meet their needs. They are, however, economic instruments vital to the very existence of the commercial family farm. As such they merit the continuing interest and support of city and countryside alike.

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Governor Breathitt's Commission on Agriculture, and your Kentucky leadership associated with the Commission in this Conference, have sights set on a billion-dollar annual agricultural income for Kentucky. That would be an increase of between \$300 and \$400 million from the current annual level of gross returns from farming. That is a big jump, but you have launched your drive from a running start. Kentucky's farm income has been on the rise over the last four years, and preliminary figures show it was better in 1964 than in 1963. And the commodity programs I have been discussing tonight have had a role in your fine progress.

I am confident that you can reach, and even exceed, the billion-dollar goal you have set for yourself if -- as a Nation -- we can reach our goal of parity of income for the efficient family farm.

I want to commend your outstanding Governor, and all of you, for not limiting your interest to commercial agriculture as you drive to reach the billion-dollar farm income goal. It is important and appropriate that new avenues of earning opportunity for those with limited farm resources and for non-farm rural families should also get your attention.

I pledge you tonight the wholehearted cooperation of the U. S. Department of Agriculture on both fronts.

I have tried, at some risk of misunderstanding, to make myself crystal clear on two distinct aspects of our farm and rural development programs. On some occasions, when I have demonstrated my enthusiasm for the non-farm and related aspects of rural areas development, I've been accused of abandoning the farmer. By the same token, my emphasis here on commodity programs in no way lessens my dedication to other opportunity-building efforts in rural America.

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There is a place, a real need, for all of them.

But tonight I primarily want to be on record emphasizing how serious -- even disastrous -- it would be to turn backward from the commodity programs.

These programs were designed to improve earning opportunities for family farmers, and they're doing it...at the rate of a billion dollars a year more in net income than was earned in 1960.

These commodity programs were designed to bring supplies into better balance with demand and to move surpluses into consumption and in most areas -- particularly feed grains and wheat -- they're doing it.

The commodity programs were designed to provide consumers with an abundance of food at fair prices, and they're doing it.

And -- most of all -- they were designed to perpetuate the family farm system of agriculture and avoid the economic and social hazards attached to large corporate farming, and they're doing it.

The family farm, measured in terms of today's investment and production standards, is a growing rather than diminishing institution. Let us resolve to maintain appropriate incentives, so that American family farm free enterprise agriculture will continue to perform miracles for all the American people.

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In his Message on Agriculture to the Congress and the people in early February, President Johnson said:

"Farm policy is not something separate. It is a part of an overall effort to serve our national interest, at home and around the world."

Farm and food policies cannot continue to serve our national interest unless they receive, in creation and implementation, national attention and understanding.

That's why I am here.

Unless we have meaningful dialogue involving business, industry, labor, and the consumers and producers of food and fiber, we cannot create and maintain sound policies and programs for either people or food.

Agriculture is not an island. Rural America is not another America. When it is enriched in character and quality, we are all enriched. When it is made less, so are we who live from the land, though not on it.

The free enterprise system has no more vigorous champions than the men and women of business and industry. And the free enterprise system has no finer examples of successful operation anywhere in our society than on our family farms.

Its success is most evident in the fact that millions of Americans accept food abundance as casually as they accept the air they breathe or the water that bubbles up with the push of a fountain button.

Address by Secretary of Agriculture Orville L. Freeman before the National Industrial Conference Board Meeting, Sheraton Park Hotel, Wednesday, February 17, 1965, at 3 p.m. EST.

Not since there was a Garden in Eden, with only two consumers compared to our nearly 200 million, has there been the era of plenty we now know.

Perhaps the reason we are so casual in our acceptance of food that is abundant, and as rich in quality as it is in variety, is simply this:

It is cheap.

There's no bigger bargain than food. If the price of food at the farm had increased at the same rate as the wholesale prices of non-farm commodities over the past decade, American consumers would be spending \$4 billion a year more for food than they're spending now. And that wouldn't be \$4 billion in new money -- it would be \$4 billion that is now going for cars and clothes and homes and furnishings and appliances.

Now, I'm not suggesting that all consumers and all businessmen and all industrialists take time out every day to say a polite and sincere "thank you" to the nearest farmer. But I am suggesting that all consumers and businessmen and industrialists take time to become informed on the performance, the problems, and the promise of farm and non-farm rural America. Great changes are taking place out there. They can be channeled constructively, or they can be ignored in a manner that could prove disastrous to a vital part of our economic and social structure.

A century and a half ago, Thomas Jefferson wrote:

"Laws and institutions must go hand in hand with the progress of the human mind. As that becomes more developed, more enlightened, as new discoveries are made, new truths disclosed, and manners and opinions change with the change of circumstances, institutions must advance also, and keep pace with the times."

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The President, in his Message on Agriculture, laid out guidelines for bringing our laws -- and institutions like the Department of Agriculture -- into tune with the times.

President Johnson spotlighted the two dimensions of modern agriculture, and emphasized the importance of facing up to the problems and potentials of each within the framework of its needs and its promise.

We have family farms which are adequate in land and machines and labor and management resources to provide good earning opportunities for their families if the prices received for farm products reflect returns from investment and labor comparable to the returns from investment and labor in other sectors of our economy. These farms are turning out 80 percent of our annual output of food and fiber.

They've been able to stay in business -- and some of them have been able to reach parity of income -- simply because, through government, they have acquired economic tools called price supports. This price support program, instrumental in boosting net farm income for the Nation by around a billion dollars a year beginning in 1961, is not a relief project or a dole. It is an investment in the maintenance of a free-enterprise, family-farm system.

The thoughtless plastering of such labels as "pampered" and "subsidized" on the backs of these farm families -- who work hard and take hard risks and meet the demands of responsible citizenship -- is unkind, unfair, and marked by failure to understand their accomplishments or appreciate their dignity. It is also short-sighted, for in a free economy top performance will not continue indefinitely if it is poorly rewarded. And even now, in a period of general prosperity, the great majority of farmers fall short of returns from capital and

labor comparable to those realized from similar investments in other pursuits. They are not receiving what the President has described as "parity of income." Fewer than 400,000 farmers earn a wage comparable to that of a skilled industrial worker (\$2.46) and as much as a 5 percent return on investment. Between two and three million farmers are shy of a 5 percent investment return and the national minimum hourly wage of \$1.25 an hour.

Price support programs have contributed to the efficiency of the family farms and have made possible progress toward parity of income over the past four years. Without these programs the annual incomes of even the best-equipped and most-efficient farmers would drop as much as 50 percent -- which would be a knock-out blow to them and a severe shake-down for the whole of the economy.

Because of differences in their basic natures, the economics of farming and the economics of business and industry are not identical. The farmer cannot turn production on or off in immediate response to rising or falling demands. He doesn't want to base his price on scarcity -- and the public welfare demands that his production margin be on the side of too much rather than too little. All other security efforts mean little unless buttressed by the security of adequate food reserves.

To put the economic and social comparisons with industry a little more bluntly -- a farmer cannot tell his calves or pigs or chickens or crops not to show up tomorrow morning, or shift responsibility for their **care** to the unemployment compensation office or the local welfare department.

Unless the efficient, commercial, free-enterprise family farm is given the economic tools of price support and supply management it will disappear -- and we'll be rebuilding from ruins rather than from a foundation that needs only a little mortar to maintain stability.

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The President believes we can reduce the public cost of these commodity programs, and I share both his conviction and his determination. We can always find better, more efficient ways to project public policy into action. But every step of the way it is in the public interest to measure investment, or lack of it, against returns, or lack of them.

Arbitrarily throwing aside a free-enterprise-family-farm system that provides abundance at fair prices for all who can afford to pay...

that further provides adequate diets for those who can pay only part of the cost, or none of it, through our direct distribution and school lunch and milk and food stamp programs...

that also provides the biggest single dollar-earner we have in the export field and makes the balance of payments less troublesome...

and that serves as an instrument of foreign policy through Food for Peace--
would be one of the real tragedies of our age.

Therefore, as the President said in his purposeful and significant Farm Message: "Farm programs will be necessary as long as advance in agricultural technology continues to outpace the growth of population at home and markets abroad."

It must be kept firmly in mind, however, that efficient, commercial family farms represent only one face of agriculture and one dimension of challenge and promise.

Not all the family farms in our Nation are adequate-size commercial family farms.

There are many that fall short of the full range of efficient productive resources essential to commercial family farm status, including some that do have adequate management skills and family labor. Accordingly, they do not share in the benefits of supply management-price support programs in the same degree as the first group. Yet, with a combination of their own and public or private credit resources, many of these farms can reach this goal and acquire the land and inputs that will fully utilize labor and skills and bring them into the commercial family farm bracket.

And then there are the farms, usually small, that are far short of adequate commercial family farm potential. For most of these units, little that is meaningful can be done so they can provide an American standard of living from farming as such.

It has been suggested that we shift the public investment in the commercial family farms and the almost-adequate family farms -- represented by the commodity programs -- into the low-income or poverty sectors of our rural society.

I believe, however, an honest appraisal would show that if we did this, and neglected commercial agriculture, the size of the problem created in the real food production sector of our economy would be greater than the progress the resources so transferred could achieve in the low productive sector.

So, we must act on two fronts. We must maintain and strengthen the efficient, highly-productive commercial agriculture, and we must accomplish a Rural Renaissance to wipe out poverty on the countryside. After all, genuine economic growth is made only when real wealth is produced. It is not achieved by playing checkers with money.

The war on poverty is not being fought by Robin Hood in Sherwood Forest. It is not guerilla warfare. If city slum dwellers have to lift themselves from slums without assistance, by their own bootstraps, they won't make it -- and if rural poverty is the enemy of rural people alone there can never be escape from its grasp.

Total national resources must be mobilized for total war on poverty in every pocket of existence, in the middle of the city or on the prairie.

If adequate education, adequate public health and sanitation services, adequate housing, adequate training for jobs represent a good thing in New York City or Chicago, they represent a good thing along the backroads of rural America.

The creation of new opportunities for learning and earning in rural America, and the maintenance of efficient commercial family farms cannot be competitive endeavors. Success in one will enrich the other.

I would conclude by emphasizing that this success means more than food abundance, or academic social satisfaction, to the Nation's business and industry.

There's a market with consistent growth potential in rural America for the products of factories, plants, mills and stores.

Farm families are prime consumers.

They spend more than \$29 billion a year for goods and services related to agricultural production. Agriculture uses more petroleum than any other industry, and six percent of all the rubber consumed in the United States each year. It uses a third as much steel as the automotive industry -- around five million tons a year. It consumes about four percent of the Nation's electric power.

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Farmers spend another \$12 billion a year on family living -- for clothes, cars, furniture, medicine and other products as well as services which have origin in towns and cities.

Farming itself employs 6.1 million workers, and three of every 10 jobs in other employment are related to agriculture. Approximately 10 million Americans have jobs storing, transporting, processing, and merchandising the products of agriculture.

Money which moves into rural America carries a round-trip stamp.

Not today, nor any other time, will I request the people of business and industry and labor to give our Nation's farm families preferential treatment. They do not demand it, nor want it.

I respectfully ask, in their behalf, fair treatment. And fair treatment is an understanding of their achievements, their very special challenges, and recognition of their right to be full participants in all that is good in this good and great Nation.

I respectfully suggest that you join our President in his premise that farm policy is not something separate, but part of an over-all effort to serve our national interest, at home and around the world.

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U. S. Department of Agriculture
Office of the Secretary

8, 1965
Dr. Gragg, Congressman Tenzer, other distinguished guests --

You do the U. S. Department of Agriculture and me personally a great honor in presenting to us this plaque commemorating the name and accomplishments of George Washington Carver, a great American who served his country and his State selflessly and with honor.

On behalf of the Department I am proud indeed to say a few words of tribute to this remarkable scientist, this teacher of rare ability. He was a truly admirable man. He remains so in our own memory and use of his achievements.

In his quiet, humble way, George Washington Carver did far more than most of us realize to shape the development of our USDA. He was born two years after the Department was established, and when he died the Department had 81 years of growth and accomplishment behind it. His life spanned many of the major changes in American agriculture -- and the truth is that many of these changes he himself helped bring about.

He showed how agricultural products could be used industrially, and he led the way in bridging the gap between lab research and the practical application of that research on the farm. In so doing he foreshadowed the work of our modern utilization research and our extension programs.

Dr. Carver was a close personal friend of at least three Secretaries of Agriculture -- "Tama Jim" Wilson, Henry C. Wallace, and Henry A. Wallace. Two of them taught him; one of them he taught -- taught in the best way of all, informally, in quiet conversations while hunting plants in the woods and the fields.

Remarks by Secretary of Agriculture Orville L. Freeman at Presentation of Plaque by Carver Commemoration Committee in Honor of Dr. George Washington Carver -- February 18, 1965 - Room 218-A, U. S. Department of Agriculture, Washington, D.C., 11:00 a.m. EST.

Henry A. Wallace was only six years old at the time, but, looking back much later, he wrote: "Because of his friendship with my father and perhaps his interest in children, George Carver often took me on botany expeditions, and it was he who first introduced me to the mysteries of plant fertilization."

If he were living today, I dare to hope that George Carver would be my close personal friend, too. I think he would be especially interested in what we are doing through rural areas development and research.

Dr. Carver was a scientist with the common touch. Perhaps it was this which inspired him to study what was commonplace. We know that he made paints from Alabama clay. We know that he grew bumper crops on the dump heap at Tuskegee. We know that he pushed far ahead our knowledge of the sweetpotato and its cultivation. We know that he found dozens of uses for the peanut.

His studies of the commonplace helped start the South on the long trek toward agricultural diversification and conservation.

He was a teacher who could not bear to see knowledge lie sterile in the laboratory, like the Biblical talent buried in the ground. And so week after week, when his work in the lab and the classroom was finished, he hitched up a mule, carefully packed some exhibits from his projects in a wagon, and drove into the countryside to teach the benefits of crop rotation and conservation.

George Carver was also a truly humble and selfless man. When he was a student at Iowa State, he made the hard choice that determined his career. He had great talent as an artist, and he had an opportunity to go to Europe to study painting. But he gave it up to dedicate himself to science -- because as he later said: "It has always been the one great ideal of my life to be of the greatest good to the greatest number of people," and because he saw in agricultural research, "the key to unlock the golden door of freedom to our people."

"Speak to the earth, and it shall teach thee," we read in the Book of Job. George Carver spoke to the earth and it taught him -- and he taught others -- and the saving knowledge has spread in an ever-widening circle even to our own day.

I accept with gratitude and humility this plaque honoring one of America's greatest agricultural scientists and teachers. We shall place it in a position of prominence. From it, we shall draw renewed inspiration. Seeing it, we shall remember that the Great Society we seek he began to build before many of us were even born.

20, 1965

Robert Frost once described home as a place where, if you want to go there, they have to take you in.

I am at home. And you have taken me in with a gracious hospitality that warms my heart, and freshens my spirit.

Truthfully, I would have accepted your invitation just for the sheer joy of being here. The award, and the generous words, are frosting on an already-rich cake. Yet, being human, I relish the taste and the sound. Obviously you have heard and heeded the ancient admonition that an ounce of taffy is worth a ton of epitaphy. Thank you for your kind thoughtfulness.

But with all the sincerity I possess, I want to make one fact clear:

I accept this award...this recognition...in the names of men and women who -- like you who are here tonight -- gave me the opportunity to enter public service as Governor of this great State and as a member of the President's Cabinet.

If a man succeeds in making any kind of a mark in public life that merits attention, it is only because he has carried with him the collective energies and ideas and ideals of the people who put him there.

Address by Secretary of Agriculture Orville L. Freeman at the Mid-Winter Conference, Minnesota Veterans of Foreign Wars, Leamington Hotel, Minneapolis, Minnesota, February 20, 1965, 7 p.m. (CST). The Secretary spoke after receiving the organization's first annual "Outstanding Minnesotan" Award.

It is the quality of the propellant that determines the value of his flight.

The appreciation I feel so deeply -- and express so inadequately -- has two dimensions. I am grateful to the Veterans of Foreign Wars for being remembered, and recognized. And I am grateful to all the men and women of Minnesota who made it possible for me to be remembered and recognized because -- through all the days of our years -- they have shared with me not only their dreams, but credit for their deeds as well.

While I am the first recipient of this particular VFW Award, I am not the first American to be honored by a Veterans Organization. And the record shows the overwhelming majority of the awards and citations made by our veterans of wars are made in recognition of peacetime services to community, State, and Nation; and in recognition of peacetime achievements.

The security and the greatness of the United States can be traced, in substantial measure, to the ability of its citizens to become full-time soldiers and then become full-time citizens again.

Perhaps this is because the veteran knows, from firsthand experience, that war is negative and peace is positive; and that full exploitation of all the potentials of peace is essential to its preservation. No American is more dedicated than the war veteran to the maintenance of maximum military strength. He knows we must be fully prepared for war in order to guarantee national security and discourage aggressors. Yet no American is more dedicated than the war veteran to the task of making the Nation as strong, or stronger, spiritually and intellectually and economically, as it is militarily. He is not willing to trade books and butter for bombs -- he knows that books and butter make us better fitted to back up the power of bombs and eventually make them needless for the purpose of war.

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Of all the good gifts man has from God, the greatest of all is the power to become better than he is -- and our ability to achieve lasting peace is closely tied to the expanded use of that power.

Basically, that's what community service is all about -- it is concentrated on building a better environment for the opportunities which must be utilized to the fullest if we are to be better people.

And it is in community service that the Veterans of Foreign Wars, and other organizations of veterans, have been finding their best reason for being and for doing, and the best avenue for turning dreams into deeds.

It is about community service I want to talk with you, rather briefly, on this occasion.

Because our Nation is young, and because our people have always been a dynamic and restless people, every American who has lived since the days of the Pilgrims has lived in a time of change. Yet, in no other period of our history, has change been as rapid as now. In no other period of our history has change held as many facets, or carried as many impacts, as now. And in no other period of our history has the need for taking charge of change -- rather than passively accepting it -- had the priority it must receive now.

While change is inevitable, it is not a product of nature -- like a season or a storm. It is the result of man's actions, or inactions. Its benefits can be enlarged, or its threats diminished, only if men and women take command of change and channel the flow.

Perhaps the greatest challenge in the area of change our generation has known is contained in President Johnson's vision of the Great Society. If I

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may paraphrase, and combine Presidential Messages with the Prayer of St. Francis, what the President has said is this:

Where there is illiteracy or lack of full learning opportunity, let there be more and better teaching and study...

Where there is the darkness and squalor of city slum or country shack, let there be light and cleanliness...

Where there are no facilities to utilize the productive abilities of workers, let us bring these facilities in or enable trained and knowledgeable workers to go where they are...

Where there is sickness or physical weakness due to faulty health services or sanitation standards, let us make services and facilities match good health needs...

Where there are no places for little children to grow in stature and in spirit through play, let there be playgrounds...

Where the aged cannot live out their days in dignity, let us create an atmosphere of respect and decency...

Where streams carry waste and filth and poison, let us free them of this burden and make them clear again...

Where there is ugliness on the land, let us grow the trees and the flowers and the grass so there will be beauty...

And where there is ugliness in the conduct of people, let us open wide every path leading to rebirth and revival of that human spirit which through love of God and of Man brings self-respect, as well as respect for the dignity and the rights and the possessions of others.

All this adds up to the War on Poverty.

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All this adds up to the realization that because of the constructive changes made in the social and economic structure of our society by our fathers and mothers and grandparents and great-grandparents, we are now in position to attack the remaining pockets of economic and social and intellectual want and wipe them out.

Yet, as President Johnson has emphasized time and time again, the War on Poverty can be won only if every battle is initiated and planned and waged by the people, with the people, where the people are -- in each community of the country.

The resources of State and Federal Government are auxiliary resources...support resources, if you please...designed to augment those brought into play at the community level by community leadership.

The people must have the will before government can throw in help to find the way.

Many critical changes in this Nation's social-economic-political philosophy have developed in your lifetimes and mine. One of the most important, and promising, has been in the public attitude toward planning and toward government.

Not many years ago planners were widely looked upon as paternal, or socialistic, or dream-dominated screwballs confined to the ivory towers of universities or as paper shufflers in Washington bureaucracies. And, as recently as 1964, there was a major -- unsuccessful -- effort in our Nation to make government appear as a competitive, rather than cooperative, factor in the lives of the individual and his neighbors.

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There is today a broadened, and more realistic, understanding of both the process and purpose of planning and of the role of government as a cooperator.

One of the great values of basing government cooperation on community initiative and planning is that this helps avoid the possibility that people will be buried under a mass of national blueprints and statistics. The blueprints and statistics are essential, but starting them from the bottom instead of the top keeps them spread thinly enough so people, not paper, command priority attention.

Whether we are engaging in urban renewal or rural renaissance... in transferring some farms not needed for food production into needed and wanted outdoor recreation facilities...building a school or adding books to a library...or in trying to make a live and vibrant factory town of an old mining or lumbering ghost town, we are involved in changing the pattern of the lives of people. This change is often from the familiar to the unfamiliar. And while the long-term advantages can be very real and good, the immediate situation can be one of distress or, at the least, discomfort.

So we must, in our desire to be planning and doing, not become so concerned with managing and manipulating ideas and programs we become involved in managing and manipulating people. Men and women and children are statistics only on paper. Where they live and work and learn and hope they are people. Attempts to help even the most oppressed and depressed among them will fail unless they are a part of the process, unless the efforts are underlaid with an understanding of both their virtues and faults, and an appreciation for the dignity that is in every individual.

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A long time ago a writer named Leo Tolstoi wrote:

"You can handle things without love. You can carve wood and iron without it, but you cannot deal with people this way. People are like bees. If you handle bees roughly, either they will get hurt or you will get hurt."

I am known as a pragmatic type of trial and error public official. But I believe, with all my heart, that while many ingredients and qualities must go into the War on Poverty, the greatest of these is love. This is the essential motivation for helping those who are hurt, and -- more important even than that -- helping them help themselves.

I am asking you tonight, as the VFW of Minnesota, to enlist in the War on Poverty.

I am not asking you to enlist as raw recruits in need of basic training, or even as officer candidates.

What I am suggesting is that you use your already-developed and well-documented skills in community service to do more of what you have already been doing well, and do it on a broadened scale.

This State is dotted with living, meaningful monuments to the VFW record in community service, such as the Cancer Research Institute at the University of Minnesota Mayo Center and the Youth Activity Center at the Veterans Administration Hospital in Minneapolis. To these, and others, you will add the Reception Center for Camp Courage at Annandale.

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So, in effect, what I'm asking you to do from this background of knowledge and achievement in the area of community service is to become more vigorous recruiting officers -- to activate every single Post and recruit the widest possible range of leadership in your communities to:

1. Determine the areas where opportunities are inadequate in production and service and work opportunities, in education for children and job training for adults, in health and sanitation, in housing and outdoor recreation, in beautification, and in every other area where life can be brighter than it is with more creative opportunities.

2. Make an inventory of the community assets that can be thrown into the struggle for broadened opportunity, and of the liabilities that can be offset only with resources brought in from outside the community.

3. Plan any necessary remedial actions, and get professional help from your government or universities or from private sources when desirable, for both the planning and the implementation of plans.

What I'm asking calls for dedication and energy, for idea-making and idealism, for a willingness to fight for the rightness of things -- for, in brief, greatness.

But we'll realize the Great Society only through great community leadership.

Once there was a Rabbi known for his rather long morning prayers.

His wife, after waiting an hour for his arrival at the breakfast table, greeted him when he finally arrived with this question: "And what did you pray for this morning?"

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"I prayed," the Rabbi replied, "that the rich might be more generous in their alms to the poor."

"Do you think," she asked, "the prayer will be answered?"

"It has been half-answered already," he explained. "I'm sure the poor have agreed to accept."

I pray that in every State, community leaders will be generous in the contributions of their abilities and energies to the creation of opportunities that will enable our people to wipe out every phase of poverty and related evils.

And I leave here tonight sure of one-fiftieth of an answer.

I am sure the community leadership of Minnesota has agreed to accept the challenge.

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25, 1965 Ladies and Gentlemen, Fellow Market Developers:

I welcome you in these terms, for I hope that I, too, can qualify as a market developer--as a real, working member of the Guild.

For more than four years I have traveled this nation and the world calling attention to the availability of American food and fiber of excellent quality, at fair and competitive prices.

Each year we have strengthened our market development efforts, and have steadily increased our sales.

Now, I believe, we have reached a level of development and know-how where, with hard work, we can surge even more rapidly forward. And it is critical to the national interest that we do so.

The importance of agriculture to the general well-being of Americans, and to the building of a better future, has been consistently emphasized by President Lyndon B. Johnson in his 1965 Messages to the Congress and the people.

In his Agricultural Message earlier this month, the President emphasized that "farm policy is not something separate." It is, he said, "part of an overall effort to serve our national interest, at home and abroad." More recently, in a special message covering the balance of payments and maintaining the strength of the dollar, he called for united efforts by business, industry, government--and agriculture.

Address by Secretary of Agriculture Orville L. Freeman at Conference of Trade Organizations cooperating with the U. S. Department of Agriculture in export market development, Dodge House, Washington, D. C., February 25, 1965, 1:00 p.m. (EST).

President Johnson has made agriculture a full partner in creation and implementation of vital national and international policies. Partnership implies more than sharing of benefits. It demands acceptance of a full measure of responsibility in facing up to, and overcoming, challenges to the Nation's security and progress.

It is the current need for a total national effort to create a better balance in the international flow of dollars that makes this conference especially timely, and gives us the opportunity to map ways in which agriculture may accelerate its response to the need.

The most progressive route to a more equitable relationship between our expenditures abroad and our earnings abroad is expansion of foreign trade. It is here that agriculture, in significant degree through your efforts, has both a fine record of performance and prospects for growth. So this conference is not a How-to-Do-It School. It is more of a postgraduate seminar of How-to-Do-It-More-Effectively.

We are here to review our progress, reassess our possibilities, and prepare to accomplish more than our share in moving agricultural products into foreign dollar markets.

High agricultural export volume has always been important. Exports mean income for our farmers. Exports generate business for shippers, the transportation industry, and other enterprises connected with trade. Exports help us cope with farm surpluses which depress domestic prices and increase storage and handling costs.

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Higher agricultural export volume can do all those things to a greater degree, and more. It can play a significant role in solving the balance of payments problem, which is the most serious single economic obstacle facing us today. The solution of this problem is essential if we are to go about the business of overcoming domestic barriers on the road to the Great Society.

The President has pledged to the American people and the people of other free countries that we will move resolutely toward a balance in our international payments. In his special Message to the Congress, he outlined a program of legislation and voluntary cooperation designed to speed our progress toward balance in our external payments and to assure the growing and continued strength of the dollar.

Let's take a closer look at the payments problem, and at the way agricultural exports -- and your development work -- can help correct it.

The deficit in our international payments has been a nagging problem for well over a decade. Bear in mind that we have had a payments deficit -- not a trade deficit. Since 1950 we have consistently exported more merchandise, agricultural products and industrial items, than we have imported. But we are spending more dollars in other ways than we are taking in. And these payments -- chiefly for the cold war, tourism, and U. S. investment abroad -- substantially exceed the excess we get in trade.

What can be done to solve the problem?

The President, in his special message, outlined a 10-point action program and concluded with these words:

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"Finally, and most important for the long pull, American business, labor, agriculture and Government must work together to maintain stable costs and prices and strengthen our trade in the world."

I am not a monetary expert. Perhaps not many of you could qualify as such. But President Johnson spoke in a language all of us in this room understand. Expanding exports is our business. And expanding exports is a task to which we will bring renewed dedication in the months that lie ahead.

You have already made a record to be proud of. The balance of payments problem would be far more severe than it is if it were not for the direct and dramatic contribution that agriculture is making to our favorable trade balance. For the last half-dozen years our favorable trade balance -- the excess of exports over imports -- has ranged from \$4 billion to \$7 billion. The sharp increase in agriculture's share has been little short of miraculous.

In 1958, for example, agricultural exports and imports ran essentially a dead heat. The next year, agricultural imports actually exceeded exports. But since then agriculture's contribution to the trade balance has been astounding. In 1960, agriculture contributed a half-billion dollars to a total trade balance of nearly \$4 billion. Every year since then agriculture's contribution has topped the billion dollar mark and during the 1964 fiscal year, out of a favorable balance of nearly \$7 billion in total trade, agriculture accounted for a round \$2 billion -- or nearly 30 percent.

Virtually all of the substantial increase in farm exports which made this record possible is in commercial exports for dollars.

During this whole period since 1958, our imports of agricultural products have changed little. However, commercial agricultural exports for dollars have expanded significantly in every year except 1959.

The cumulative increase in dollar earnings from farm exports during the period, taking 1958 as a base, has been \$4.1 billion. This has been a solid contribution to the alleviation of our balance of payments problem.

We all know that increased exports alone will not provide the total solution. The balance of payments problem is far too complex for that. But I want to say here and now that agriculture has made and is making a marvelous contribution. I am proud to have had a role in it and welcome this opportunity to congratulate those of you who have been on the firing line -- in many cases since the outset of the market development program.

I firmly believe that our \$6 billion agricultural export record of today is only a beginning. Soon it will become a \$7 billion record, and I am confident that an \$8 billion level is within reach.

I am sure this will happen because our products are good, because they are needed -- and because you who are here, your producer groups and trade associations, our farm and business people, and your Government are all working together as never before to take our products to the doorways of the world.

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Together, you cooperators and we in Government have built up a remarkably effective working relationship that unites our resources for the task of meeting a multitude of export marketing problems. During the past four years in which I have had the privilege of working with you, we have achieved record high total exports--record high export sales for dollars--and record high exports of wheat, feed grains, soybeans, rice, tallow, nonfat dry milk, hides and skins, butter, variety meats, tobacco, dry edible beans, fruits and vegetables, and poultry.

We can continue to rack up successes, but only by working long, action-filled hours. We must sell hard, and effectively. We must offer quality, at competitive prices. And we must have fair access to foreign markets.

Quality is an important marketing factor. The selling job becomes easier when the customer receives goods of quality matching the price he pays. And the importance of quality grows in the buyer's market that now exists. We produce high-quality farm commodities. Yet, production is only part of the picture. We must make special efforts to assure that quality moves from producer and processor all the way through export channels to foreign consumers.

Grades make it easier for buyers and sellers to match quality with price. The new wheat grades, which your Great Plains Wheat Organization staunchly supported, are a good illustration. They are helping us do a better job of export selling.

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Competitive prices must go hand-in-hand with quality. When all other factors are equal, the seller with the lowest price gets the business. We can quote competitive prices on most products because we are highly efficient producers and keep our per-unit production costs low. On a few price-supported commodities, however, we must make export payments to bring our goods in line with world prices. Wheat, cotton and rice are examples.

Recently we had to increase our export payment on wheat, which had the effect of lowering the price, because of the general decline in world wheat prices. The price weakening traces to the increasingly keen competitive situation. Many importing countries have increased their indigenous production while supplies available in exporting countries were expanding. To stay competitive we had no choice other than to bring our prices to levels reflecting prices offered by other exporters. Maintenance of these relationships should permit the United States to obtain a more equitable share of world commercial markets. We now see no reason for world wheat prices to take a further drop.

Along with quality and price goes hard and effective promotion. This is an area in which you who are associated with the market development program are constantly developing more and more professional talents. The market development machine you have built is an impressive one. You can be justly proud of your 45 organizations, working in 67 countries--augmented by the more than 200 foreign trade associations that work with you and staffed by more than 700 non-Government people employed by you and your foreign cooperators.

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Back of this powerful organization are the business firms at home and abroad that make the actual sales. Some of these are established firms, others are new in agricultural exporting. And there are also scores of foreign businessmen, brought to the United States as members of trade teams, who have returned home to engage enthusiastically in promotion of U. S. products.

But quality, price, and promotion mean little unless products have access to foreign markets. In that area we have some major problems, particularly in our relationship with the European Common Market.

It is no secret that we have not been making the progress I hoped for in the Kennedy Round. The United States has been ready for some months to begin the process of agricultural bargaining. It was ready last November 16th, when the negotiations on industrial products got under way--but the EEC was not ready then. At that time the EEC had not yet arrived at a common grain price--a decision it considered essential before real negotiations could be started in agriculture in the Kennedy Round. The grain price decision was reached by the EEC in December of 1964.

Early in 1965, proposals were made in Geneva to get agriculture going in the Kennedy Round. It was proposed these negotiations begin on all products April 1. It was thought that, with the common grain price behind them, the Community would now be ready to negotiate--but the Community has not been willing to accept the April 1 date for all products. Now the Community is insisting that it needs to determine its common price decisions and market regulations for additional products before it can begin meaningful negotiations. The most important of these are beef, rice, dairy products, and fats and oils. These matters, the EEC believes, may not be settled before mid-summer or early fall--so it is suggesting a further delay until September for most of the items to be included in the negotiation.

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Coming back to grain, the internal prices which the EEC agreed upon last December are high. We believe they are high enough to bring additional acreage in France into production and to stimulate yield increases, thus moving EEC grain production further towards self-sufficiency. This would decrease the need for imports. We see more than ever, therefore, the need for negotiating firm, meaningful access commitments for grain.

There has been much misunderstanding about what we mean by access commitments. I think I can make clear what I mean by pointing to the Beef Import Law recently enacted by the United States Congress. This law provides a firm and meaningful access commitment for imports. It assures meat exporters reasonable access to the U.S. market over a low duty as long as imports do not exceed amounts authorized by law. But exporters have to sell their beef in our market. Their prices and quality must be right or importers won't buy. Our law gives them the opportunity to sell. It does not actually establish mandatory quotas for meat imports. The quotas are contingent. They apply only when imports exceed a stated level.

This level is the share of the U. S. market which imports held in the five years 1959-63 plus an allowance for growth in U.S. domestic production. In addition, imports must exceed by at least 10 percent the amount calculated under the formula before it is necessary to apply quotas.

This is the kind of market access formula to which I can subscribe.

All we are asking the EEC to provide is the opportunity to sell in their market. Opportunity is the key word.

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Thus far, however, the EEC has insisted that it can negotiate only on the basis of its proposals. This is the margin of support, or montant de soutien plan, about which you have heard so much. It is difficult to describe. As I understand it, the plan's essential feature would be the freezing of a maximum margin of support for each agricultural product in each country. The margin of support would be the difference between the return to the domestic producer per unit of product and a reference, or world price, for a product of the same kind and quality. Where there are not established world prices, reference prices would have to be negotiated.

Each country would be permitted to levy an import duty equal to its margin of support, and if the world price dropped below the reference price, would be permitted to increase this levy in the amount by which the world price had dropped. Thus, each country would be allowed to levy an import duty equal to the difference between its domestic support price and the price of imports.

You will recognize immediately that I have described the EEC variable levy import system. It seems to me that this Community negotiating plan amounts to little more than extending the EEC variable levy system to the rest of the world.

The United States and most other countries have rejected this EEC plan. Why? Not on philosophical grounds--not because we have any objection to including domestic support policies in the negotiations--not because we are arbitrary. We reject it simply because we cannot see how it meets the test of the trade negotiations. We cannot see how it would expand trade. Let me give you some examples:

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I have mentioned our concern about the high EEC grain prices.

If we are right, and these prices do expand EEC production and decrease imports, a freezing of these prices will not expand exports to the EEC. It will, in fact, contract them.

And let me point out in this connection that the EEC plan makes no provision for and gives no credit for controls upon production. Under the EEC plan, countries would not have to apply production controls and the United States, which does apply them to grain, could abandon its control. Our grain producers obtain price support only if they limit production. If we were to agree to freeze our support prices, as the EEC asks, and were to abandon our controls as the EEC would permit us to do, the result is not difficult to forecast. Thus, the EEC negotiating plan would not limit production in our market either--it would expand phenomenally. And certainly no one would ask us to continue to control our production, simply because we had been doing so, while allowing importers to continue to avoid production controls, simply because they had been doing so.

Let us consider sugar. The United States now imports about 40 percent of its requirements of sugar. The value of this trade to our suppliers is over \$500 million yearly--and our suppliers are mainly the less-developed countries of the world. One of the benefits of the EEC plan purportedly is the stabilization of markets for the products of less developed countries. But this important U.S. market is held open to sugar exporters through the application of controls upon our domestic production as well as upon imports. Under the Community's plan, these controls would not be required. We are asked only to agree to freeze our per unit return to our producers and we could then abandon our controls.

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If we applied the Community's plan, therefore, the sugar trade with the United States would be severely hurt and probably eliminated. The developing countries would not be benefited, but sorely injured. And, since the EEC is self-sufficient in the production of sugar, these exporters could find no offsetting market in the Community. There are no controls on production in the Community. Its price bindings and its variable levy will insure that its domestic market is reserved for domestic producers.

Finally, the EEC would apply its plan to all products and all countries. If all countries were to be free to levy import duties equal to the difference between their producer prices and import prices, we would remove from international trade all competition--both on price and quality--for prices would be adjusted to eliminate quality differences. The thought of doing away with competition for all agricultural commodities is a staggering one. We would have to find another basis for world trade. In order to establish some basis for selling, we would have to negotiate export quotas or cartelize trade in all commodities and among all countries. Imagine the time we would need to negotiate these and the bureaucracy to administer them?

The Community has made a major point of saying that its plan would include in the negotiations all elements of agricultural support. The examples I have just given show this isn't true. Some crucial elements are ignored. I don't want to sound negative on this matter of negotiating all elements of support or protection. We have always been willing to negotiate on any element affecting international trade as long as its negotiation would serve to meet the test of expanding trade. I just cannot see that the EEC plan does this.

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The negotiating plan which the United States put forward months ago--and which it still stands by--seems much more relevant to me. That is, to find these barriers to trade and to reduce them.

Where trade is now free of duty, we would keep it that way.

Where the barriers are fixed tariffs, we would reduce them.

Where the barriers are variable levies or other forms of import control we would negotiate limitations on their restrictive effects or access commitments--such as we have done on beef.

We are not dogmatic. Our approach is flexible. The only point on which we insist is that the action must liberalize trade. This is the purpose of a trade negotiation. Without liberalization of trade, this negotiation would have no purpose.

We are determined to negotiate with purpose.

The days ahead are filled with hard work for all of us who want to give maximum service to our country, our economy, our agricultural industry and our efficient and dedicated farm families.

The days ahead are filled with promise, too. An expansion of the world trade in our food and fiber will contribute to an expansion of opportunities in every area of American life.

It is with appreciation of your past performance, and confidence in your ability to respond to greater challenge, that I say:

Let's get going--right now!

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25, 1965
Statement of the Honorable Orville L. Freeman,
Secretary of Agriculture
before the
Subcommittee of the Senate Appropriations Committee
February 25, 1965

Handwritten notes and stamps in the top right corner, including a signature and the name "Van der Zanden".

Mr. Chairman, Members of the Committee:

I am pleased to meet with this Committee to discuss USDA research programs, particularly those which are affected by the actions I announced on December 31, 1964. I want to assure you of our full cooperation in this inquiry, for it is important that the background and reason for these actions be understood by the public.

First, let me assure you that I am a strong believer in research and development in agriculture. I think the record clearly shows that. Good research is a necessary investment to assure continued abundance and improved quality of our food and fiber. This is not only in the best interest of farmers and consumers, it is in the total national interest.

The Department's expenditures for research programs of all kinds have increased from about \$135.8 million in fiscal 1961 to around \$220.5 million in the current fiscal year. This increase over the last four years is greater than the total amount spent for research in the USDA even as recently as in fiscal 1956. Of the \$84.7 million increase since 1961, more than \$54.3 million has been for research by the Agricultural Research Service. Grants to the States for research have increased by over \$14 million.

Our responsibility to the public and good administrative practice requires that we take periodic, hard looks at expenditures for all Department programs and for all agencies of the Department. This is especially

required when sizable increases of expenditures occur in any of our programs or agencies. We analyze the expenditures, we carefully reassess and re-evaluate the programs within the framework of the question: "Do they justify the cost?"

This is as true with agricultural research as it is with any of our other programs. We make these reviews and reassessments constantly. We look at the costs. We look at the results. We investigate the past performance of each project and we weigh its potential value, if any, in relation to other research opportunities.

Always we keep asking these questions: Is the project worthwhile? Has it outlived its usefulness? Have its objectives been achieved? Can it be done better by incorporating it with another research project? Are we duplicating our efforts or those of another government agency? Should the cost of this project be more properly borne by another branch of government or by private industry?

When we are through, we make a judgment. It is a judgment that the public, and the Congress, has every right to expect from the Executive branch of the Government. It is a judgment required by Congressional directive, stated to us on a number of different occasions. For example, the Committee on Appropriations of the Senate made its position quite clear in reporting the Department's appropriation bill for fiscal 1964. In this report, the Committee emphasized that every effort should be made "to make certain that worthwhile projects are undertaken and that current project investigations are phased out upon completion or discontinued when they show no useful results."

Accordingly we have carefully reviewed our research programs, and after this careful review and deliberation, I made certain judgments and decisions. I believe these judgments are sound and the decisions are in the best interest of research, the USDA and the country.

To better understand the actions we have taken, would you please look for a moment at the total agricultural research program and some of its major priorities?

First, there are a number of areas that urgently need immediate additional research support. This will always be true in a fast-changing world where new scientific and technological discoveries out-date old practices and old methods and require new techniques and new operations.

As new government programs are launched to fit the changing pattern of agriculture and rural America, additional research is necessary.

I believe our 1966 budget requests reflect the new priorities.

Increased funds have been asked for staffing new laboratories recently built to carry on high priority research such as that on soil and water, poultry, and small fruits.

An additional \$2.5 million has been asked to provide additional technicians and operating costs at research stations.

Following is a partial list of increases we have asked for other necessary research projects:

\$200,000 for special research on trichinosis of swine;

\$575,000 for health-related research on tobacco;

\$345,000 for research on mold problems of peanuts,
cottonseed, other oil seeds, cereals, and
dried fruits;

\$162,000 on radioactive effects on animals;

\$300,000 for livestock research center at Clay Center, Neb.

If agricultural research funds were inexhaustible there would be no problems; but they are not. Priorities must be established, and this entails judgment. This will, of course, be true whether it is my judgment or the judgment of Congress.

This situation that we face in the Department of Agriculture is not unique in the Federal Government. Our actions are in keeping with the desires of President Johnson to insure maximum effectiveness in current programs and to free, wherever possible, additional resources for the vital needs of building a Great Society.

Our recommendations to modify some of our research programs were done on the basis of our continuing review procedure, the weighing of priorities, and in keeping with the President's declared policies.

The budget increases we have requested for ARS to begin additional research programs -- which we feel are vitally necessary -- total \$5.1 million. We are able to absorb this increase without exceeding last year's total research budget because we have saved about the same amount by cutting back on other projects.

We are convinced that the cut-backs are justified because our studies show that:

-- some projects were so divided among different locations that they could produce little of value as research projects;

-- some research stations and laboratories are so old and so inefficient that the cost of modernizing them cannot be justified;

-- some research projects have shown that the practical benefits of the project have been exhausted, and that further expenditures would be of little value;

-- some research projects have achieved their principal objectives;

-- some projects were no longer needed because new scientific discoveries or technological advances had out-dated them;

-- other projects, we found, were being duplicated by other agencies;

-- some projects, we felt, should more properly be the responsibility of the States or other government departments and the costs charged to them;

-- some projects, originated by the Department of Agriculture, have been brought to such a stage that they can be carried on by private industry.

In making our final judgments to close out certain stations and laboratories, we always gave the benefit of doubt to those units directly serving the small farmer -- those located in the more rural areas vis-a-vis the metropolitan centers.

A check of the research stations to be closed or lines of research to be eliminated show that the cut-backs total more than \$3 million in metropolitan areas and only a little more than \$2 million in the rural areas.

Projected savings by subject matter include:

-- \$2.8 million in low-priority farm research, but this is offset by \$5.1 million increase in high-priority additional farm research made possible by the total savings of our modification program

-- \$1.5 million in utilization research, some of which -- if private industry thinks it is important -- can be continued by private industry

-- \$550,400 in research on clothing and housing, some of which could more properly be carried out by other Departments and agencies, or by private industry

-- \$224,700 in marketing research on wholesaling and retailing. This is an area of research that could well be financed by the food industry itself.

I appreciate your interest and concern in these matters. I am sure we are in complete agreement that we want the most effective research program we can get for the money we spend.

I want you to know that the USDA employees whose jobs are affected by these changes in research activities are being given every possible opportunity for employment elsewhere in the Department.

I know you are interested in the specific stations and lines of work to be eliminated, and the criteria used in making the selection. A statement has been prepared describing each of the activities, and Dr. George W. Irving is here to present this material at this time. We also shall be happy to answer any questions you may have.

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Washington, ^{DC, 11} February 26, 1965 X

Secretary Freeman's Statement on Civil Rights Commission Report:

The Report of the U. S. Civil Rights Commission charges that racial discrimination has been practiced in four agencies of the U. S. Department of Agriculture -- specifically with respect to their operations in the Southern States. Each of these agencies administers programs in which there is a great deal of direct farmer participation at the county level.

I know of no one, except those who refuse to face facts, who would disagree with the Commission finding that there has been discrimination in the administration of programs. This discrimination has been the result of social patterns that have prevailed for a long time. However, this does not make it right, and there is underway within the Department a massive effort to make the operation of programs in every area consistent with the philosophy and goals of this Administration and the philosophy of the Congress expressed in the Civil Rights Act.

The Commission Report does not reflect, in every instance, the effort that USDA employees are making to administer programs fairly and effectively in the South. But there is no point in quarreling with details of the Report, or in attempting to analyze point by point the fairness of the Report. Let me just say that, wherever programs depend on local action and local elections, the operation of such programs has a strong tendency to conform to long-time social patterns in the area.

Although these facts of life make the job of racial fairness more difficult, they do not make it any less necessary. The rights of all citizens to participate with equal opportunity in the Federal farm programs, or to obtain equal employment in Federal agencies, must be upheld at all times.

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The drive to achieve this has the sanction of law and is reflected in the policies and orders of this Department since the beginning of this Administration.

We are making advances in the field of racial equality in the administration of USDA programs. The Report of the Civil Rights Commission will enable us to achieve even more rapid progress. I think it is pertinent to summarize some of the actions that already have been taken, or are being taken, in this regard.

In June, 1961, I issued a directive forbidding the use of any standard other than merit or ability in the employment, training, assignment and promotion of USDA employees. Following this action, I met with each agency administrator individually on a number of occasions to discuss program administration and employment practices to secure the rule of equal opportunity.

Over a year ago, I further requested each agency to submit a monthly report on employment levels and hirings to determine agency performance.

In the past year, both key Department officials and I have met with civil rights groups to discuss the effect of the Civil Rights Law on the Department and to indicate the intent of the Department to carry this law out.

Each agency is now required to:

- * End the practices where they exist of permitting segregated services by segregated staffs
- * End the practices where they exist of maintaining segregated staffs and segregated offices.

Every Department employee is forbidden to participate in segregated meetings, or to participate in any training program where individuals are excluded because of race, religion or other factors not related to professional competence.

Where Farmers Home Administration had no Negro county committeemen prior to 1961, there are now Negro county committeemen -- and there will be more. Where no Negroes served as elected community committeemen in communities other than those with 100 percent Negro population, there are now Negro community committeemen, and the Department will insist that Negro farmers shall have full access to farmer committee polling places and shall be able to participate in the selection of those farmers who will locally administer farm programs.

These actions reflect some of the efforts which have been made in the past four years to insure equal opportunity in the USDA and in the programs administered by the Department. It is my firm purpose to use all the powers vested in the office of Secretary of Agriculture to insure that all vestige of discrimination and inequality will be removed from the USDA.

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U. S. Department of Agriculture
Office of the Secretary

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15,465 I am pleased to be with you today because I have long admired the zeal, the persistence, and the effectiveness of the National Housing Conference on behalf of good causes. If I may paraphrase Mr. Churchill, seldom in the history of our country have so few, with such limited resources, been able to do so much for so many, as have you of the National Housing Conference in your year-in and year-out fight for better housing for all our people.

You are in business to lobby the Government, as you have always candidly admitted. Today, I am going to reverse the process, The Government, in the person of the Secretary of Agriculture, is going to lobby you.

I remind you, today, that a large proportion of your constituents are also my constituents. Almost half of all the people who live in substandard and deteriorating housing -- 43 percent, to be exact, according to the last census -- live in rural America, that is, in the open country or in rural communities under 2,500 population.

Nobody will deny that housing in the slums of our great cities is bad enough. But -- and few Americans realize this -- there are more dilapidated, unhealthful houses, with roofs which admit the rain and walls which admit the wind, in rural America than in all the great cities of this country put together. The proportion of bad housing in the small towns and countryside of our Nation is twice as high as the proportion in our metropolitan areas.

Address by Secretary of Agriculture Orville L. Freeman before the 39th Annual Convention, National Housing Conference, Statler-Hilton Hotel, Washington, D. C., March 15, 1965, 4 p.m. (EST).

Of the nearly 15 million occupied homes in rural America in 1960, fully one million were in such condition that they endangered the health and safety of the occupants. Another 3 million were in serious deteriorating condition, in need of major repairs. More than one in every four rural homes was in one of these two categories.

So I am here today to frankly lobby you to put your own efforts, as a public interest group, in that perspective. While the housing problem of America today is so largely rural, the preponderance of organized citizen effort to deal with bad housing -- including, I believe, the efforts of your own organization -- is focused almost exclusively upon the urban aspects of the housing problem.

A generation ago, this may have been appropriate. The Congress was then dominated by rural legislators -- many of us remember when the so-called "farm bloc" was just about all-powerful when it chose to exercise its power -- and the crying need for groups like yours was to get attention paid to urban problems.

But all this has changed. The tables have been turning -- and when the reapportionment rulings of the Supreme Court are fully in effect they will have turned full circle. Instead of city dwellers having to depend upon rural Congressmen to support programs which will serve the interests of city people, it will be the other way around -- rural residents will have to depend upon city and suburban Congressmen to understand rural needs and give rural people their support.

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And as that day comes, I ask you: Where are the public interest groups who will be beating on the doors of urban Congressmen to press the case for the needs of rural America? The answer is: Public interest groups concerned with the broad spectrum of problems of rural people hardly exist today.

The farm organizations, of course, work hard and effectively, but their concern is necessarily centered on commercial agriculture and families engaged in farming. Yet three of every four persons who live in rural America do not live on farms and are not engaged in agriculture. And these are the most voiceless people in America today -- a minority almost totally unrepresented by organized citizen activity on a nationwide scale.

Let me illustrate.

The National Housing Conference, and many powerful organizations with which you are allied, are vigorously supporting urban renewal. But who is pushing rural renewal with the same force and determination? The answer is: Nobody.

You, and the organizations with which you are allied, are supporting the President's proposal for a Department of Housing and Urban Development. But where are the organizations that are supporting an equal emphasis on rural development? The answer is: Nowhere.

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In his message to the Congress on agriculture and rural affairs, the President pointed out what he called the "harsh facts" of rural life. He called attention to the fact that rural America has twice the proportion of poverty, in relation to population, as urban America -- that it has a much higher proportion of substandard housing -- that more than one-fifth of all rural homes do not have running water -- that rural America has inferior schools and health services and lags in almost all of the other community facilities that urban dwellers have long since come to take for granted.

He stated a national objective for rural America of "parity of opportunity". But to make parity of opportunity a reality, organizations like yours will have to take the President's objective as your own -- and do something about it.

Now let me be specific about some of the things that need doing -- within your own particular area of concern.

First, consider housing. The Department of Agriculture has had a lending program -- which the National Housing Conference has always supported, and I am grateful for that support. In the last four years, we have lent nearly half a billion dollars -- which is a fourfold increase in the rate of lending above the level of 1960. In the 16 years of the Department's rural housing program -- which was created by that landmark legislation, the Housing Act of 1949 -- we have helped 91,000 farm and rural families improve or obtain new homes.

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We are by no means ashamed of that record, and we are particularly gratified that half that help was given in the past three years. Yet what does the record of 16 years really amount to in relation to need? 91,000 rural homes built but 4 million still occupied that need major repairs or should be condemned as unfit to live in? What do 91,000 rural homes really amount to compared to the 3 1/3 million homes that have been built in urban areas in the same period with the help of Federal Housing Administration insurance? For every home the Federal Government has helped to build in rural areas, it has helped build somewhere near 37 in the cities and their suburbs. Is this parity of opportunity for rural America? Of course not. Far from it.

We have recognized that our direct loan program has made, and can make, hardly a dent in the total rural housing need. We are well aware that the vastly successful urban and suburban housing program of the Federal Housing Administration achieved its magnitude only because it was an insurance program -- not a direct loan program. Accordingly, the President has recommended that a new program of insurance patterned after that of the Federal Housing Administration be authorized for rural areas, to be administered by the Department of Agriculture. That program is incorporated as Title IX of the proposed Housing and Urban Development Act of 1965.

I note with interest that in your 1965 resolutions you recommend a \$500 million annual program for rural housing. With this size program we could move more swiftly toward our objective of equal opportunity in housing for rural America.

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In addition, our two FHA's -- the Farmers Home Administration and the Federal Housing Administration -- have undertaken a cooperative campaign to inform rural bankers and other lending institutions about the facilities of the Federal Housing Administration and the Federal National Mortgage Association.

In hundreds of counties throughout rural America, the Federal Housing Administration has been virtually inoperative -- in many it has not been able to insure a single mortgage in the entire 30 years since its creation -- for the simple reason that private lenders were not informed about, or for some reason were unwilling, to utilize the FHA insurance program. In those counties, a potential borrower -- no matter how good his credit standing and how ample his income -- has no opportunity to enjoy these liberal 3 percent down payments and long-term FHA mortgages that the suburban home-buyer has at his disposal. The rural borrower is liable to find that he can borrow only 60 percent of the value of his house -- and then only on a 90-day renewable note. This is what we sometimes refer to as the "credit gap" between urban and rural America.

We believe that if rural lenders fully understand how to utilize the FHA insurance program and the FNMA secondary market, a lot of housing can be built in the small towns and rural areas of America. By working together, the Departments of Agriculture and, we hope, the Housing and Urban Development will be able to get the message to them. To the extent that the Federal Housing Administration program still does not serve the rural borrower, the new insurance program of the Farmers Home Administration will be available. Combining these two approaches, we hope to close the rural housing credit gap and achieve, in that field, parity of opportunity.

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Second, let us look at community facilities. Almost every city dweller in America can turn on his faucet and count on getting safe, pure water. By contrast, in vast reaches of this country, the rural dweller either has no faucet at all -- or, if he has one, the water that flows out of it is unsafe to drink. A fourth of all farm homes, and a fifth of rural non-farm homes, have no running water. Between 15,000 and 30,000 rural communities -- depending on how you define a community -- have no water systems. Their families rely on wells, or on cisterns which catch the rain water draining off the roofs, or on hauling water in kegs or drums from some distant spring or city water system. But in county after county across this land, almost every single well is contaminated, partly because the people who live there do not have sewer systems either.

The Farmers Home Administration has had authority to lend to rural communities for water systems. Prior to 1961, the annual volume of water system loans was under \$1 million. By 1964, it had risen to \$34 million. As the result, 459 rural communities embracing 300,000 people now enjoy -- or will soon enjoy -- adequate fire protection and pure running water in their kitchens and bathrooms. Health and safety have been improved, land values have been enhanced, and for the first time in their histories these communities have a chance to attract new business and industry.

You sometimes hear it said, or implied, that the Federal Government should not invest money in rural areas, because they have no future anyway. Money spent in rural areas that have not been growing, it is argued, is so much money wasted and Federal investment should be limited to areas which have been proved to have the capacity for growth.

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Of course, every one will admit that there are some rural communities that, because of disadvantages of location, have little economic potential no matter how much public money were to be poured into community facilities. But for every such community there are several times as many others where the limiting factor on growth has been the absence of those very facilities. The first question a business man is likely to ask in locating a factory is, does the community have pure water? The first question a new bride is likely to ask in choosing a homesite is likely to be, if we build there, will we have pure water? If the answer to these questions is negative, what chance for growth does the community have? The argument that public investment should be confined to communities that are already growing confuses cause and effect. We can cite instance after instance, even in the short time that we have been able to make rural water system loans, where the turning on of the water taps has converted an area of stagnation or decline into a growth center overnight.

Let me hasten to say that if we act to foster rural growth we will do no harm to the cities of America. We can only help the cities. There has been, and will doubtless continue to be, more migration from farm to city than the cities can readily absorb. If we can slow down some of this migration, by making rural America attractive for living and economically prosperous, it will be better both for the countryside and for the cities.

Our progress in helping bring water to rural America sounds good -- and it is. But helping 459 communities out of a total of 15,000 to 30,000 that need water systems is -- if I may choose a hackneyed but in this case appropriate metaphor -- not much more than a drop in the bucket.

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Parity of opportunity for such a fundamental thing as a drink of clean water will require a vast, nationwide effort on a scale matching the rural electrification movement which has, by now, brought electricity to the door of almost every rural home.

Third, and finally, we must organize the War on Poverty in rural areas.

Not long ago, it was reported that 70 percent of all cities over 50,000 either have a community action organization in being or are in the process of organizing one. The comparable figure for rural areas is nearer 10 percent, if it is that high. Just about half the poverty in America is in rural areas, but while urban America will shortly be covered with anti-poverty organizations and activities, rural America will still be mainly standing on the sidelines.

This is not anyone's fault. It is not the fault of Sargent Shriver and the dedicated people in his organization or of the Department of Agriculture, who have been working together and working hard to get information and technical assistance out to rural areas. The failure to achieve parity of opportunity for the rural poor to get the benefits of anti-poverty programs is simply the consequence of the dispersal of the rural population, the absence of information and organization at the local level, and the difficulty encountered by Federal agencies in communicating with every one of the many thousands of rural communities.

These inherent difficulties require a concentrated effort on the part of Government and private organizations alike, if we are to build the Great Society in rural America at the same time that we build it in the cities.

The President is deeply conscious of this.

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In his Message to the Congress on February 4, he directed the Department of Agriculture to establish a Community Development Service to provide "outreach"--so that every Federal Government program will, in fact as well as in theory, be available to the rural community that seeks such cooperation.

On February 26, I announced the formation of such a unit and designated one of the top administrators in our Department -- Mr. Robert G. Lewis -- to direct its activities.

But Government, no matter how determined, can't do this job alone. That is why I am here to lobby you.

So I shall end upon the note with which I started. We who speak for rural America need the help and energy and dedicated labors of the National Housing Conference--and other organizations like yours--to make the President's dream of parity of opportunity for rural America become reality. We want to work with you. We hope that you will work with us.

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17, 1965 This is the fifth consecutive year you have given me the privilege of participation in your national convention.

I don't know whether I am a guest, or a habit.

And I really don't care, because I can accept either designation with comfort and satisfaction. Being with you is always an informative and inspiring experience.

The inspiration comes from the basic nature of National Farmers Union membership. You are citizens first--farmers second.

Your philosophy, and your action programs, are consistently directed toward building a better nation--a better world--for all families, regardless of occupation or place of residence.

This tradition is dramatized in the choice of theme for this sixty-third annual convention: The Road to Peace and Prosperity. For if peace is not possessed by all men, everywhere, no man--anywhere--can claim it. And if the opportunity to achieve prosperity is not open to all American families, no American family can expect to maintain continuing possession of it.

Obviously, the concern of this convention of farm men and women is a concern for people.

Address by Secretary of Agriculture Orville L. Freeman at the Sixty-Third Annual Convention, National Farmers Union, Sherman House, Chicago, Illinois, March 17, 1965, 8:00 p.m. (CST).

And you express this concern, this continuing interest, this will to participate in the broad range of public service, in more than the selection of words for a convention theme. You express it in the variety, and the quality, of guests invited to participate in the deliberations which began three days ago.

Now, I doubt very much if Vice President Humphrey or Senator Douglas...or Walter Reuther or Kenneth Galbraith or Gunnar Myrdal--or even Herschel Newsom--could contribute anything toward making the participants in this meeting better farmers. But no one can hear them without wanting to sharpen his mind, and quicken his heart, in response to the challenge and the promise contained in becoming a better citizen.

You are concerned with the well-being of people.

You have expressed this concern in the planning of your convention program. You have expressed it in the selection of speakers from outside the agricultural structure who can match good ideas with high ideals in every area of life. And, for a quarter of a century, you have been expressing this concern through your choice of a National Farmers Union President.

Jim Patton's feet are firmly planted in the good earth, and his strong right arm encircles the shoulder of the family farmer. Yet his heart beats with the rhythm of the world's pulse--and his compassion never stops at the city limits, nor does it know a national boundary.

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Through all your years together the good fight for Jim Patton has been the fight against oppression and want...against ignorance and fear... against ugliness and hate and bigotry...against waste of human and natural resources...and against special privilege.

And through all your years together he has waged the good fight in positive terms--for freedom of thought and speech and movement...for expanded opportunities for learning and earning...for maximum participation in the processes of the democracy...for protection of people and of nature from exploitation that serves private greed...and for peace.

So--because of your organization's history and its traditions, because of the theme and performance of this convention, because of the type of National Farmers Union leadership exemplified in Jim Patton, I would visit with you this night not as a Secretary of Agriculture with men and women of the farms--but as one citizen with another.

We are deeply and rightfully dedicated, you and I, to advancing the welfare of agriculture and rural America.

But we cannot move in a vacuum. We cannot isolate ourselves from the mainstream of human endeavor. Unless we deal in terms of the general welfare, we cannot deal at all.

In one of the greatest Agricultural Messages to the Congress delivered by any President, Lyndon B. Johnson last month pointed out that: "Farm policy is not something separate. It is part of an over-all effort to serve our national interest, at home and around the world."

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Civil Rights policy is not something separate, either. Nor is educational policy. Foreign policy is not something separate. Rising respect for law and order and a cutback in crime, health protection, and all the many facets of the war on poverty are not separate, either--all these policies are a part of the over-all effort to serve our national interest, at home and around the world.

Their implementation demands from each citizen not only the recognition of his independence, but full knowledge of his interdependence.

Our basic goal is not the only goal meriting deep and rightful dedication.

So despite the merit of our cause, and the justice built into our purpose, we cannot command attention. We must compete for it. We cannot successfully simply demand fair play. We must negotiate for it.

But being realistic about our situation is not a handicap, does not put us in a hopeless position. We can compete and negotiate from a position of strength. We are strong because farm families have an unmatched record of contribution to the general welfare.

One of the basic rules of the democratic, free-enterprise system is that rewards should be reasonably related to how responsibility is accepted, and fulfilled.

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The basic responsibility of this nation's farmers is to provide an abundance of food. You know how well you've responded, but let me make a brief inventory for the non-farm members of the society who outnumber you 14 to 1.

Americans buy more of better quality foods, in greater variety, at less cost in terms of take-home pay, than any other consumers have at any time in the world's history. And not only is the pipeline from farm to market kept filled, there are reserves to fill any gaps created by the natural hazards of drought and flood.

If farmers did nothing more, that achievement alone would be an adequate response to their responsibility in the society--but it represents only a part of the total inventory of achievement.

In launching all-out war on poverty, we didn't have to begin it by making provision for getting more food so we could feed the poor in order to widen other avenues of opportunity. Our farmers long ago had made it possible to establish direct food distribution to needy families, had made it possible to operate school lunch and milk programs and a Food Stamp Program.

The difficulties related to balance of payments would be far greater today if our farm production and foreign sales promotions had not contributed so much to a favorable balance of trade. Our farmers are equipped, and ready, to do even more in earning dollars abroad. And our agriculture, through Food for Peace, is a significant part of foreign policy.

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Furthermore, while taking this food abundance from their land, our farm families have consistently handled their private property in the public interest through soil and water conservation practices--individually and collectively.

One thing more:

Our farm families not only sell, they buy. They are major consumers of the products put on the market by workers in our factories, plants and mills and they are major consumers of professional services.

Those are the rich ingredients American agriculture puts into the physical, economic, social and political well-being of our nation.

However, they run far in excess of the rewards to American farmers.

Farm families are not earning returns from investment, from skills, from labor comparable with the returns being experienced in other sectors of the economy.

Gross farm income hit an all-time high in 1964. Net farm income was better last year than in 1963. Yet the disposable per capita income of the farm population in 1964 was just about 60 percent of that realized by the non-farm population.

Fewer than 400,000 earn a wage comparable to that of a skilled industrial worker (\$2.46) and as much as a 5 percent return on investment. Between two and three million farmers are shy of a 5 percent investment return and the national minimum hourly wage of \$1.25 an hour.

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This spread is unfair. It is not in the national interest. Unless corrected, agriculture cannot command the capital and the skills to maintain the era of abundance that enriches the whole of life in our society and makes so many other achievements possible. The present disparity must be corrected--not by reducing non-farm incomes, but by increasing farm income.

But farm families cannot do this alone--simply because farm policy is national policy and all citizens, through their Congress, have a hand in making it. Farmers need the understanding and help of non-farm citizens in order to maintain and improve the efforts now under way to achieve equality of income opportunity for farm families.

I can assure all Americans that farmers have no desire for special privilege. But I can assure them in the same breath that farm families have a great need for full partnership in the benefits of the economic system in return for making more than their share of contributions to it.

I believe we of agriculture have earned the right to ask our nonfarm citizens to understand, and act upon, these truths:

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1. Today's agriculture is not a mule and plow operation. It is a business as well as a way of life. It calls for heavy investment, skilled management, hard work. It has outpaced all other aspects of the nation's industry in productivity gains. It must be regarded as a vital part of the whole economy, and given the opportunity to earn a fair return.

2. Today's agriculture is not a political football, nor a plaything for easy chair theorists, nor an academic exercise in economics and sociology. Farm policy is too important for use as a whipping boy, economically or politically. Farm and food policies have a daily impact on the lives of millions of men and women and children in our own and other countries, and influence the kind of future they'll know.

3. Expenditures of public funds for the maintenance of farm price support and supply management programs are not welfare payments or doles. They are an investment in the continuance of a fine productive system rooted in free-enterprise family farms. Without them farm income would quickly drop at least 50 percent from its already-inadequate level --triggering a national recessing, if not a depression.

4. Farmers neither expect nor demand arbitrary establishment of income equality. They ask only that the door be kept open to equality in earning opportunity, so they may move under their own power to parity with the rest of the society.

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If we can achieve throughout the nation an acceptance of those four facts, and wipe out the misconceptions which distort the agricultural picture in urban America -- and can inspire willingness to act from the basis of reality and truth -- the battle for the maintenance of the efficient commercial family farm earning parity of income will be half-won.

Your National Administration will soon forward to the Congress proposals for farm and food legislation that in substantial degree will chart the policy course for the balance of the 60's.

The President of the United States has assured this Convention, and all the farm families of our nation, that parity of income for farmers is a major goal of his Administration and that it will be sought within the framework of commodity programs designed to strengthen and improve farm income and help our farmers share equally the wealth of our nation.

Legislative proposals have been prepared in the light of four years of experience. Let me touch, quite briefly, on the highlights of that experience. As a result of policies and programs put into effect since 1961, this is the type of progress that has been recorded:

Net farm income has been running around a billion dollars a year better than it was in 1960. Big dents have been made in the expensive and hard-to-handle -- and farm price-depressing -- surpluses

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of wheat and feed grains that were piled high at the end of the 1960 crop year. Foreign sales of farm products for dollars have gone up from \$3.2 billion in the year ending June 30, 1960, to \$4.5 billion in the year ending last June 30.

That's the kind of experience we're building upon for the future.

It has taught us -- and well-informed economists in and out of government continue to tell us -- that commodity programs are essential if we are to prevent an agricultural depression.

Experience has taught us that for the foreseeable future commodity programs, flexible enough to permit adjustment to changing conditions and needs, are essential to the achievement of fair income opportunity for the commercial family farm; to the achievement of abundance at reasonable prices for consumers; and to the creation of balance between supply and current and reserve demands.

Experience has taught us that a farm price structure that makes possible parity of income for producers must at the same time make our agricultural products truly competitive in foreign markets.

Experience has taught us that the market place can be a growing source of equitable farm product prices, and what we have learned indicates a possible shift from dependence upon the federal treasury.

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All this experience is incorporated into the legislative proposals that will go to the Congress.

I shall, in the days ahead, communicate with you and with other farmers--and with consumers and the Congress--in greater detail on the Commodity Program legislation. (Let me point out that I am spotlighting the Commodity Programs tonight--not with the point of minimizing other aspects of rural opportunity growth so eloquently examined and brilliantly spelled out here already as requirements to win the war on poverty and bring about a "rural renaissance"--but because the Commodity Programs are of primary importance in maintaining and expanding the free enterprise family farm commercial farming system so vital to our national strength, security, progress and future well-being.)

I said experience has taught us that we can, and should, put more dependence on the market place for adequate farm income.

But the farmer must go into the free market as a fair bargainer, fairly received, not as a beggar.

The objective of better returns from the market is not--as has been said and will be said again--a tax on consumers.

There are strong economic reasons why the farmer should get a fair return from the market. Two of the proposed Commodity Programs--wheat and rice--will, according to present plans, follow this principle. In the case of wheat, this represents extension more than innovation.

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Here's why such an approach is economically sound:

As the farmer's share of the consumer food dollar has declined--to less than 37 cents today--it has brought about a unique change in the relationship between farm prices and consumer costs. In effect, a substantial increase or decrease in the farm price of food usually will have very little effect on the retail price of that same food item. For example, a 50-cent increase in the domestic price of a bushel of wheat might be reflected by a seven-tenths of a cent increase in the price of a one-pound loaf of bread.

Agriculture, commercial agriculture particularly, has become in part insulated from the direct price effects of the retail market. If we are to maintain its enormously-valuable productivity, then we must provide it with the kind of programs that will prevent insulation from turning into isolation and starvation.

If the proposed wheat and rice programs are made effective, some increases in the retail prices of wheat and rice-based foods could occur. But the impact on the average household budget will be minimal. Fluctuations in farm prices today have less effect on retail food prices than do the other costs of processing, transporting, handling, or retailing. The ingredients in a 21-cent loaf of bread cost less than four cents, and the cotton in a \$4.50 shirt brings the farmer hardly more than a quarter.

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Furthermore, it is neither just, fair, or in the national interest that the low income groups in this country be, in effect, subsidized by low prices to the farmer. The consumers of our nation, I am confident, will be the first to support this proposition--particularly when they realize that in the last 10 years while the general cost of living has climbed 15 percent, farm prices have dropped 4 percent.

What low-income families need far more than a subsidy provided by inadequately-paid farmers is a very real increase in their total purchasing power. This is a major purpose of our nation's all-out attack on poverty. Meanwhile, the underprivileged are protected by our direct distribution, school lunch, school milk and Food Stamp programs.

The effort to achieve effective food and agriculture legislation in the weeks and months ahead will not be easy. But it can be done. The progress made over the past four years when, working together, we have passed five major farm bills, has not been as fast as we hoped when I spoke to you four years ago in Constitution Hall in Washington, D. C.

It is understandable that at times we feel discouraged and neglected, and almost give way to despair.

But let us be of strong heart. I would remind you, again, as we face up to the challenges of the last half of the 60's, that a farm minority --plagued by internal dissensions--has managed to achieve significant legislative progress. Across the board we have managed to eliminate some hazards that seemed almost insurmountable just four years ago.

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Let me remind you, too, that we have some solid, understanding, helpful friends in the Congress of the United States--some veterans, some in their first terms.

Let me assure you that there is a growing realization of the economic, social and political interdependence of farm and non-farm people --in the business and banking sectors of both country towns and cities, in the press, and in labor and industry.

And above all, we can take courage from the fact that the farm families of this nation have an understanding, appreciative and purposeful leader in the White House--Lyndon B. Johnson--and another friend in the President's good, strong right arm--Vice President Hubert Humphrey.

All these positive, plus factors stand as a challenge to farm families across the land to achieve the highest possible degree of cooperation and unity, so we may take advantage of this historic opportunity.

Never has a single, solid voice been more important to agriculture. We cannot afford nit-picking, old prejudices, nor selfish warfare between commodity groups and farm organizations that puts the well-being of things and individuals above the welfare of people.

I am not suggesting blind conformity, but I am urging that in the days ahead we in Agriculture's house vigorously exploit our agreements and softly reconcile our disagreements. Let us gain understanding by giving it, to one another, and to our fellow Americans--non-rural and urban. Let us make strong will and good will synonymous.

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Against the background of conduct and purpose, I am confident the American people--with the fairness this great nation has always sought to provide for its constituent parts--will make certain that there will be a proper ratio between contribution and reward for our farm families and that parity of income will become a reality, not a dream.

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ck 22, 1965
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It is a real pleasure for me to be in Arkansas, in this beautiful part of our country, today. It is a pleasure for me to take part in dedicating here, the first Job Corps Conservation Center to be operated by the Department of Agriculture.

The opening of this Ouachita Center is more than just the opening of another government installation. To me, it means the beginning of a new direction for our country. It means opportunities made feasible by our government so individuals can help themselves. It means opportunities for Job Corpsmen to improve their education, develop new job skills, and become productive members of society. In short, it means opportunity unlimited.

It is visible dramatic evidence that our government, from the very top, the President himself, has launched a determined drive to eliminate poverty from our society. No Nation on the face of the earth has ever attempted to do this. Perhaps none has ever dreamed that it was possible. I wonder sometimes if anyone in all history has tried to count up the wrongs, the heartaches, the misfortunes that have been brought to people because they were poor. Blinding, oppressive poverty closes the door to education, to ambition, to even the will to get ahead or to live.

Keynote address by Secretary of Agriculture Orville L. Freeman at the dedication of the first Job Corps Conservation Center in the National Forests, in Ouachita National Forest, near Hot Springs, Arkansas, Monday, March 22, 1965, 2 P.M. (CST).

In the outdoors -- in forests, mountains, rivers -- there is physical and spiritual strength, which many a man has found to his satisfaction.

A great poet (William Wordsworth) expressed it in these words:

"One impulse from a vernal wood, may teach you
more of man, of moral evil and of good, than
all the sages can."

And the educational benefits will not be all a one-way street. You Corpsmen have things to teach us. The Center leaders who work with you will learn from you so that they can better help future Job Corpsmen.

Chief Cliff of the Forest Service and all who selected this site for the Ouachita Center are to be commended.

Governor Faubus, as you and the other people of Arkansas know, this particular spot has served the Nation well in the past. The present activity is in a sense a continuation and expansion of things begun many years ago.

Thirty years ago the Nation was in the depths of a depression and Franklin D. Roosevelt created the Civilian Conservation Corps to put unemployed Americans to work and help get the country back on its feet. Some of those CCC men built a recreational development here.

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Then later, after the second world war, the Army and Navy Hospital of Hot Springs used the area as a rehabilitation and recreation site for its patients.

Men crippled in battle found new confidence to face the future in this place. And a similar thing can happen to you Job Corpsmen. Your confidence will grow as you develop new talents and skills.

This part of Arkansas has some of the finest recreational opportunities available anywhere in the country. This Center will play a part in further developing these opportunities. The lakes, mountains, streams, and the baths at Hot Springs attract visitors from many States. The Ouachita National Forest alone had two million recreation visits in 1964, and this number is expected to increase each year.

The conservation and recreation work is here to be done. It is work that needs to be done, work we have been unable to accomplish with regular appropriations. So, while we build men, the men of the Job Corps will be building the natural resources and the recreation opportunities for more visitors.

I want to stress the point that the work of the Job Corps will be in addition to the regular work carried on by the National Forest. There may be some feeling that Job Corpsmen will take the place of local people hired by the Forest Service. I assure you that

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this will not happen. The Job Corps Center will have no effect on people who are already working for the Forest Service or who may be needed in the future on regular Forest Service work.

The Ouachita Center is the first of those the Forest Service will open in 34 States. I know it has meant long hours and hard work beyond the regular day for many of you to get it ready. You have done your work well. By your confidence and faith, you have earned a share in the accomplishments of these Centers.

The Department of Agriculture and the Forest Service are proud to be a part of this great effort. We believe the Job Corps is a constructive step, a good thing, for the young men in it, for the communities near the Centers, for the Nation's natural resources, in short for the entire Nation.

Here in this program is an opportunity for each one of us to help lay a cornerstone of the Great Society.

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U. S. Department of Agriculture
Office of the Secretary

22, 1965
7:30 PM
These are exciting and rewarding times in which we live.

For me, it is rewarding to be part of an administration that has responded boldly to the call for greatness in our society and rallies its people.

It is exciting to see this event as it begins to unfold -- to see a nation of people respond to this call with new ideas, new energy, fresh and imaginative enterprise and an eagerness to get on with the job.

President Johnson has said: The job can and will be done,

-- we will build an America that is strong and beautiful,

-- we will build a nation of people who are healthy, well-educated and well-housed,

-- we will build a society of boundless and expanding opportunity where every person, Negro and white, can develop and employ his energy, his talent and his enterprise to the extent of his ability,

-- we will eliminate poverty.

We shall settle for nothing less.

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Address by Secretary of Agriculture Orville L. Freeman before agricultural and business leaders in Skyway Room, Lafayette Hotel, Little Rock, Arkansas, Monday, March 22, 1965, 7:30 p.m. (CST).

I am here today because there is strong evidence the people of Arkansas do not intend to settle for anything less. In some respects you are further advanced than most states in laying a solid foundation for full development of your resources.

Ten years ago, your able governor recommended and the state legislature responded by establishing the Arkansas Industrial Commission to coordinate the efforts of more than 100 community groups to promote industrial expansion in Arkansas. You took your State slogan: "Land of Opportunity" and gave it real substance. In 10 years, this community effort has created more than 100,000 jobs in more than 3,000 new or expanded industrial plants. You have made equally significant progress in developing your tourist and recreational resources.

You have applied Federal programs wisely and constructively to supplement your State, local and private efforts. Local cooperation with the Area Redevelopment Administration has brought many new small industries into your State. The Accelerated Public Works program has improved your forest and park areas to enhance your tourist and recreation industry, and it has speeded the building of needed community facilities.

Tomorrow I shall go to Little River County to review the progress of the nation's first pilot rural renewal project. This is another example of how local people can combine their own enterprise, their own resources with those of the State and Federal government to build better communities and provide expanding opportunities for themselves and their children.

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USDA 902-65

I have come here after dedicating the first Job Corps conservation center under the Department's supervision at Ouachita National Forest. At this camp, and at more than 100 others throughout the country, young men whose background or environment has denied them the opportunity to earn a decent living will have a new chance to learn new skills and gain new outlooks which can lead to a better life.

In Yell County, the local development council helped the county become one of the first to develop a Community Action Program under the Economic Opportunity Act. It provides a day care center for the children of working mothers and a home management program to help low-income families. Local efforts also include a 20-unit senior citizens housing project, an adult education program, and a recreation development around Dardenelle Dam. Yell County is also part of an 8-county development group in the Arkansas River Valley, west of Little Rock.

The point of all this is that the people of Arkansas have demonstrated the ability and the willingness to initiate and support their own programs on a private and public basis. It shows you know how to coordinate your efforts effectively -- that you are willing to accept new ideas and experiment with new programs -- that you know how to effectively apply Federal resources through local programs.

These are indispensable qualities for the full development of human and material resources -- and in this respect you are well prepared to move ahead rapidly.

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But full and complete development of our society and the elimination of poverty is a project of many dimensions -- most of them inseparably related to each other. For instance:

It is not enough to eliminate the immediate outward signs of poverty and do nothing about what really causes poverty.

It is not enough to build highways and roads that lead only to abandoned towns and withered communities.

It is not enough to promote and attract industry and not have the young people educated and trained to take the highly skilled jobs which modern industry requires.

It is not enough to attack the complex and burdensome problems of cities and leave the problems of farm families and rural people unnoticed and untended.

It is this latter point -- the development of our rural areas, the strengthening of our farm family agriculture, the improvement of our rural communities, the full development of economic and social opportunities for rural people -- that I want particularly to discuss with you tonight.

In all 50 States, Arkansas included, the personal income level in rural areas lags far behind the personal income level of urban areas.

Agriculture is still your single biggest industry, and it will remain as one of the economic mainstays of rural America. In order to advance this aspect of the rural economy, the Administration will soon propose a series of commodity programs for such crops as cotton and rice designed

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to strengthen family farm agriculture. We believe, as do those who have the interest of agriculture and the national welfare at heart, that commodity programs remain the keystone to the abundance of food and fiber we all enjoy today. Without commodity programs, net farm income would be cut by half -- and the family farm would be threatened with extinction.

But commodity programs alone will not assure all rural Americans a parity of opportunity with urban areas. Only one out of four rural Americans are farmers, and many of those who farm have too few resources to make a decent living.

Half the poverty of our country is concentrated among 30 percent of the American people who reside in rural America. Poverty strikes twice as hard at rural Americans. And rural poverty is no stranger to either the Negro or white -- although it is far more prevalent among the Negro.

You may ask, why do people stay there? Why don't they pick up and move?

Many do. In the past decade well over half of all rural counties experienced a net loss in population. But it is one thing for better educated, self-sufficient young people to go from the farm or the rural community to the city in search of economic opportunity. It is quite another for older people, ill-educated, perhaps in poor health, lacking in any skill that is usable in an urban setting, to be driven out of the rural areas by economic necessity and forced to move to the crowded city where they are unwanted and unneeded.

The answer is not to transform rural poverty into urban poverty, but to strike at the causes of poverty and rural decay.

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USDA 902-65

Why should I, as Secretary of Agriculture, be concerned with these needs? It is a question which I have asked myself, and which many people have asked me not once but many times.

When I became Secretary, it was clear to me, based in part on my experience as Governor of Minnesota, that the time had come for rural America to reach out...for the people of rural America to reach out for a better life. It was clear that the problems of low rural income which many people associated with agriculture, the so-called farm problem, had to do with a good deal more than just farming. The problem was more than anything a lack of opportunity for the family with a farm too small to provide an adequate income for the family in a community where the economy is stagnant.

I think it can best be illustrated by an observation that applies to most of rural America. While each of us yearns for the green spaces and quiet beauty of the country, it takes an urban income to enjoy that kind of rural life. Yet I see no reason why those who want to stay in their home community should not have the opportunity to make a decent living there I see no reason why a rural child should not have as good a chance as a city child for a first-class education...or why credit should not be as equally available to the rural businessman as it is to his urban counterpart...or why the rural family should not be able to get credit to build a home on as favorable terms as those available in cities or suburbs...or why rural communities should not be able to supply the water and sanitary and other services which make for pleasant community life.

I saw as Secretary that when people talked about the farm problem, we had to analyze that problem in terms of people, not commodities. I saw that where the Department had been primarily concerned with farm people and

and farming as an industry, it now must become equally concerned with all rural people -- farmers and non-farmers alike. We had to be concerned with the rural community as a whole. Indeed, only by so broadening our concern could we serve the farmer himself.

We were faced, whether we fully understood the challenge, with a transformation in the whole of rural America. It would, and is, transforming the Department of Agriculture. We are broadening our concern from agriculture as an industry to rural America as an element of our national society. Regardless of the name which eventually will adorn the Department, rural affairs has become a part of the working title.

This does not mean the effort and activities which the Department carries on for the farmer have been downgraded -- far from it. We simply recognize that programs for agriculture as an industry are not enough by themselves to serve adequately the needs of the non-farm rural economy, and the time has come to raise the status of the program for rural people to the same level as the programs for commercial agriculture. Either the rural economy must offer a broader range of income and job opportunities, or the rural community will continue its slow decline. Let me emphasize that the process of transformation is not a new experience to agriculture or the Department.

A very similar event occurred in the 1930's. Then the Department came out of the university and went into action. From a concern with research and education, the USDA launched a series of action programs dealing primarily with commercial agriculture. Commodities were bought and sold and stored to provide farm price and income support; loans were made to build rural power lines, and for land purchases by tenant farmers; soil conservation was encouraged with Federal funds and technical assistance.

The transformation now underway may come to be considered equally historic.

We seek now through our rural areas development effort to encourage organized rural community action programs, and to provide both technical assistance and financial aid where it is requested.

The whole concept rests on the ability and willingness of local leadership to plan and work for progress in the rural community -- without this essential ingredient, there is little that we or anyone else can do.

Some of you know what a traumatic experience planning can be. When community leaders take a hard and realistic view of local problems, they often see the real community for the first time. But facts, when they are looked straight in the face, have a way of compelling action. Many communities will never be the same again -- for having faced the truth -- as some communities in Arkansas know to their everlasting good fortune and credit.

To back up the efforts of rural people and the rural community to move ahead has come a whole new class of Federal legislation.

Housing legislation in 1961 and 1962 broadened the authority of Farmers Home Administration in the Department to make credit available to all rural Americans. Special emphasis was given to housing for senior citizens. The Area Redevelopment Act in 1961 made additional resources available to the rural community to help finance industrial and business expansion and to build essential community facilities.

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The Food and Agriculture Act of 1962, together with other legislation, expanded the dimensions of rural development. The Department was able to accelerate non-farm home building and the construction of rural water systems. Recreation development on both a community and individual basis was encouraged, and the small watershed program was expanded. One of the key parts of the 1962 legislation was the authority to begin two pilot approaches to rural development -- rural renewal projects, one which we will see tomorrow, and the resource conservation and development projects.

That same year, the Congress also enacted the Manpower Development and Training Act. Next year came the Vocational Education Act of 1963. Both contained authority to provide rural people with opportunity to gain new and useful skills.

The results of these programs carried on through the rural areas development effort are both impressive and heartening. Local leadership has responded to the challenge -- there are rural community development groups involving over 100,000 rural leaders in more than 2,100 counties today. These groups have helped to create some 412,000 new jobs in rural communities, including more than 40,000 jobs provided by 316 ARA financed projects.

Over 558 rural communities have built or expanded water systems with USDA loans of nearly \$73 million since 1961, while 92

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projects costing nearly \$59 million have been financed in rural communities with ARA assistance. Over 45,000 rural homes have been built or improved in rural areas through housing loans totaling nearly a half billion dollars in the past four years. More than 26,000 land owners in the past four years have established one or more income producing recreation enterprises through USDA programs, and about 10 percent of these now are a primary source of income. In addition, some 422 recreation projects have been financed by USDA loans, including 104 nonprofit community projects.

Our experience these past four years has taught us two important lessons:

*With adequate funds and sufficient technical assistance, the rural community can reach out to provide better opportunity for rural Americans. We have shown that rural America has the capacity for growth;

*We cannot duplicate -- and should not try to duplicate -- within the Department all the expertise and services of the rest of the Federal government in such fields as education, manpower, health, welfare, youth counseling, employment programs, and all the rest.

For the Department as a whole, and for the rural areas development effort particularly, it means that we should concentrate on helping other agencies and programs bring their benefits to rural America.

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The President, deeply conscious of the full range of needs of rural America, has acted to insure that rural America has equal access to all Federal services. In his message to the Congress on February 4, he directed the USDA to establish a Rural Community Development Service to provide "outreach" so that every program of the Federal Government will, in fact as well as theory, be available to the rural community that seeks such cooperation.

To further strengthen this "outreach" we are proposing some additional steps. There is in the budget proposals for next year a small amount of money to finance community development projects to be carried out by the Cooperative Extension Service. Extension, which has done so much to bring technological progress to farming, has an even more important role to play in the drive to achieve parity of opportunity in rural America.

We selected Arkansas as one of the States where we hope to initiate this program first, using funds from the Economic Opportunity Act. If and when the Office of Economic Opportunity gives its final approval, the State Extension Service will undertake an intensive community action program in two areas, one a five-county area in Southeastern Arkansas and the other in Lee County.

In these project areas, Extension Service will provide full-time specialists in community development much as it has made available specialists in agricultural development in the past. Emphasis will

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be placed on training in community planning and development, and on securing the help of Federal and State programs to improve community services and enlarge the range of job and income opportunities.

Thus, there is underway an ever enlarging effort to achieve what President Johnson has called the goal of parity of opportunity for rural America. Four years ago, there were many people who said that rural America had little or no potential for growth. We have proved this belief to be wrong.

But we still have many miles to go and many problems to face before we can say that those who have faith in rural America are entirely right.

What I ask for today is that Arkansas give this new pathway to progress the same cooperative effort, the same careful planning and thought, the same intensity of support which has enabled the Arkansas Industrial Commission to do its job so well.

Rural areas development is all a part of the same package, for it, too, seeks to build for a greater Arkansas.

And as you build for a greater Arkansas, you also build a greater America where opportunity can be as free to every man as the air we all breathe.

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There is a great stirring in the nation today and it is born of a national desire to achieve a new destiny for America -- a destiny no longer bound by lack of material resources ... a destiny as boundless as human spirit itself.

I think it's worth working for -- don't you?

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87
23, 1965
UNITED STATES DEPARTMENT OF AGRICULTURE

For P. M. Release March 23

Texarkana, Arkansas
March 23, 1965

Statement by Secretary of Agriculture Orville L. Freeman at Texarkana before the start of the Little River County Rural Renewal Tour:

The people of rural America today are confronted with a harsh challenge. They must stop the decline of their communities and develop new economic opportunities that will end the spectacle of idle people and under-utilized human talents.

Recognizing the immensity of their task, President Johnson has directed the Department of Agriculture to marshal Federal help to support local development efforts.

As a result the United States Department of Agriculture has turned an historic corner. In responsibility and in practice, the Department of Agriculture is now a department of rural affairs as well as a department working for the well-being of farm people. The Department's outreach is now to all rural people. To commodity programs, we have added community programs, and we have just established the Rural Community Development Service to help rural people gain equal access to all programs and services of the Federal government.

This then is the meaning of President Johnson's mandate to the Department, when he said:

"It is time that the Department of Agriculture, which has served the farmers and the consumers of America so well for over a century, assume a full leadership role within the Federal government to help rural America, as a whole, attain its rightful place within the Great Society."

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USDA 887-65

In the Little River County Rural Renewal Project today, we shall see how local people are combining their own resources under their own leadership with those of government at all levels to seek the goal described by President Johnson as "parity of opportunity for rural America in every aspect of our national life."

The task of reversing rural decline and the inequities it has created are difficult to comprehend, even for those of us who work daily with the problem.

For example, everyone knows our cities are plagued with blight and overcrowded, substandard housing. But there are more dilapidated, deteriorating houses in rural America than in all the cities of the nation put together. Three times the proportion, in fact.

The equivalent of more than six million new jobs will be needed to fully employ rural manpower during the next decade and end existing unemployment and underemployment.

There are 30,000 rural communities still without that most basic utility -- a central water system. And, without water, there can be no waste disposal system.

In education, rural people have almost two years less schooling than urban residents.

Rural America also has a disproportionate share of poverty. Nearly half the nation's poor are found in rural areas, where but 30 percent of our people live.

Rural communities have fewer health facilities. This contributes to the fact that rural children receive one-third less medical care than urban children, and their mortality rate is higher.

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As President Johnson has pointed out, these deficiencies feed one upon the other. The gradual erosion of opportunity...the houses and public facilities that are not built...the outmigration of people...all of this leaves a declining tax base for education, health, and other services.

This then is the challenge.

What would happen if rural people were to meet this challenge?

In economic terms alone, the battle is worth the fight.

If we raised the incomes of persons in the rural labor force to national levels, it would generate more than \$8 billion in increased buying power.

Think of the unmet needs that would be fulfilled for homes, for clothes, for medical services, for education, for the goods and services of Main Street, and the impact this would have on you and your job".

Later today, we will tour a county where the people have picked up the challenge...and are reversing the tide of decline.

We will see examples of almost every kind of development activity that can create new opportunity in rural America:

...small new industrial plants that provide jobs and diversify the economy.

...research to develop new crops for the area's farmers.

...recreation facilities that are being developed to attract an estimated one million visitors a year to this corner of Arkansas.

We will see new homes being built and public utilities that have been developed. We will meet and talk with rural people who have been trained for work in the new plants that have been brought to the area.

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This kind of activity is not confined to Little River County, nor even to Arkansas.

Throughout rural America, there is a growing groundswell of local action and enthusiasm. The Department of Agriculture has been cooperating with this Rural Areas Development movement, and we will do everything in our power to make this cooperation more effective in the years to come. Our new Rural Community Development Service will help rural people obtain the services of other Federal agencies, thus strengthening their redevelopment efforts.

By pulling together, and with effective support at the government level, the people of rural America can and will attain their full and rightful place within the Great Society.

For P. M. Release March 23

USDA 887-65

23, 1965

For A. M. Release March 24

Texarkana, Arkansas
March 23, 1965

Statement by Secretary of Agriculture Orville L. Freeman After Tour of Little River County Rural Renewal Project:

What we have seen today is a bold experiment by local people to demolish the barriers that keep rural America from becoming a full partner in affluent America.

The successes scored by the people of Little River County graphically illustrate what local people can do when they work together to develop their resources, using funds and technical assistance available from public and private sources.

Along with the transformation being wrought in Little River County, we also saw the transformation being made in the services of the U. S. Department of Agriculture. Where once the Department was concerned exclusively with agriculture as an industry -- with plants, animals and land -- and with the well-being of farm people, the Department has broadened its concern to all of rural America as an element of national society -- an integral part of the Great Society.

Today, we have seen activities that have:

- * created more than 135 jobs -- jobs that were not there before local people organized their development effort -- and helped strengthen and expand a plant that provides 40 jobs.

- * generated more than \$1.8 million in housing, industrial, and public utility construction work -- work that has created hundreds of temporary jobs while providing people with homes, new job opportunities, and badly-needed public utilities.

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- * provided rural people with job skills needed in modern plants.

- * strengthened the area's farm family income by a total of more than \$600 a day in timber sales alone.

And this is just a start.

The Rural Renewal project I announced earlier today for adjoining Sevier County will help put community development in this corner of Arkansas on the broader area base that rural leaders have found so important to real economic advancement. Local people have ambitious plans to capitalize on the recreation and business potential of the water storage created by Millwood Dam. The lake is expected to attract one million recreationists a year, and to result in the building of vacation homes and tourist facilities, ranging from a marina and golf course to lodges and camping areas. The impact on the economy of this recreational development could easily exceed the industrial development that has already taken place. The vegetable experiments financed with rural renewal funds and the opening of the multi-million dollar processing plant at Paris, Texas, pave the way for greatly strengthening the income of small family farmers in this area.

In short, the people in this area are blazing a trail that other rural leaders can follow in bringing parity of opportunity to rural America. In this undertaking, they have the full and responsive support of all levels of government -- Federal, State, and local.

President Johnson has urged the Department of Agriculture to "assume a full leadership role within the Federal government to help rural America, as a whole, attain its rightful place within the Great Society" -- to help local people bring about a true rural renaissance.

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We have accepted this new mandate. We recognize that the task we face is more difficult than any this Department has ever faced.

This task is not only to help provide better incomes for farm and rural families, better jobs for those underemployed, and new jobs for the youth of rural America. The task is all that -- and more: To help the impoverished to break out of the cycle of poverty, to see that rural people have an opportunity to build and improve schools, hospitals and other community facilities where none exist or where they are inadequate, to develop human resources, skills and abilities as well as economic resources, and to assure them a full share in both the creation and the benefits of the Great Society.

Today we have seen how the people of Little River County have made a promising start toward rural renaissance by making full use of their own resources and enlisting aid from other levels of government when necessary.

In addition to special financial and technical assistance through the pilot Rural Renewal program, local people have drawn other help from the United States Department of Agriculture and from the Small Business Administration, the Area Redevelopment Administration, the University of Arkansas, the Arkansas Vocational Education Division of the State Department of Education, and other agencies.

The Rural Renewal program is just one of the tools local people are using to bring the opportunities and conveniences of city life to rural areas.

Here in Arkansas, thousands of people are at work on Rural Areas Development. In America as a whole, there are over 100,000 people serving

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USDA 884-65

on Rural Areas Development committees -- joining hands to make maximum use of all programs that can help them achieve their goals of human and economic development.

The Economic Opportunity Act has provided new impetus to this rural renaissance movement, giving local committees exciting new tools to upgrade the job skills and abilities of their people, and providing their children with the headstart they need to break out of the circle of poverty.

In these and other ways, we shall help rural people to share equally in the Great Society.

For A. M. Release March 24

USDA 884-65

U. S. DEPT. OF AGRICULTURE
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AUG 16 1965
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U. S. Department of Agriculture
Office of the Secretary

26, 1965 It is a real pleasure to be back in Arkansas. If this keeps up, I'm going to be confused with the businessman who has the longest commuting schedule in the State.

One thing bothers me. I don't know whether my being back is a compliment or not. It could mean you like me, or it might be that you think I don't have any other place to go!

I will always remember, however, the two days I spent in Arkansas earlier this week. They were very important days.

Monday I was in Hot Springs with members of my staff and the Washington press corps to dedicate the south's first Job Corps Conservation Center. We stayed overnight at Little Rock, then went to Little River County to review the progress which local people have made in the Nation's first pilot rural renewal area.

The hospitality shown us at every stop was overwhelming. We were honored that your energetic and able Governor -- the Honorable Orval E. Faubus -- took time from his busy schedule to accompany us, though we must admit we are still somewhat skeptical of his story of 18-pound striped trout in Lake Ouachita.

But what made it such an unforgettable and inspiring trip was the enthusiasm, the vitality of the local people.

Remarks by Secretary of Agriculture Orville L. Freeman, at a meeting of cooperative leaders from Arkansas and the southwest, Albert Pike Hotel, Little Rock, Arkansas, Friday March 26, at 7 P.M. (CST).

The newsmen sensed it, and they repeatedly questioned the statement that a few years ago, Little River County was in trouble -- serious economic trouble. They found it difficult to believe this county had bounced back after its economic base was crippled when its cotton production dropped from about 43,000 acres in 1920 to around 3,000 acres now.

It was not that local development efforts had erased all signs of distress. There are still many things to be done.

But what the newsmen saw -- what impressed them -- were the new homes; the small, modern plants; the building of sewer and water facilities to modernize communities; the ambitious recreation plans of the local people. At every turn, the newsmen encountered activity and progress. The rural renewal project which we hope will set a pattern for the economic rebirth of other rural areas, the construction work on Millwood Dam and an interstate highway, all these are giving new life to the Little River county.

At Foreman, we stopped to inspect a group of modern, low-cost homes being built with rural renewal loan funds. Governor Faubus and I were invited by the proud young homeowners to inspect their new homes. I toured one home, then went on to visit a second with Mrs. Ronald Cowling, a very gracious and attractive young housewife. The crowd delayed Governor Faubus outside the first house. When our party began to reboard the bus, Mrs. Cowling came running out, crying "Stop the bus. Where's Governor Faubus? He's got to see my home! Don't go. Where is he?" Someone went to get the Governor, and he came running across the yard, threw his arm around the young lady, and they dashed in to look at Mrs. Cowling's home as the crowd laughed in delight.

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I bring this up because -- without a home such as the one she was proud to show the Governor, and without the new opportunity which has come to the county, this bright, intelligent young lady undoubtedly would have left Little River. Just as millions of young people have left rural areas for want of a challenging job and a pleasant home in a modern community.

In Little River County, local people, using their own resources and applying the help from the Federal and State governments where necessary, are building the kind of communities where people want to live.

People like Marion Crank, your former speaker of the Arkansas House, who have given unstintingly of their time and talents to direct this pilot redevelopment effort.

People like J. B. Davis, who already has given part of his farm to the State University for a vegetable raising experiment that could provide an important new source of income for smaller farmers in the area, and who stands ready to give another 40 acres on a main highway for a proposed vocational training school.

People like Clovie Duckett and his wife, who, though in their 70's, and living on social security, have a bright new outlook because of a modern home, built with a USDA senior citizen housing loan.

These are scattered parts of the redevelopment effort that has the promise of a better future for rural people.

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USDA 966-65

We saw another phase of this movement outside Hot Springs. It is the Job Corps center in Ouachita National Forest. There 69 young men seek to overcome a background and environment which has denied them the opportunity to compete on an equal level with others.

Many of these young men can neither read nor write. One didn't know what sheets were for. All are eager to get a new start in life, to have the opportunity to enjoy a level of living better than they have ever known -- or probably would know without this second chance.

We intend to see that they get that chance.

The education...the job training...the work out-of-doors...the opportunity for boys from the city to meet and know boys from the farm, and for boys from rural areas to share experiences and ideas with young men from the city...even a little thing like getting a chance to sleep in a bed with sheets, all of this cannot help but make these boys better men.

A story the camp education director tells indicates that at least one of the young men already has made a good start.

It seems after several weeks in camp, the boy went into Hot Springs and bought a wrist watch for 5 dollars. He was mighty proud of that watch. When he got back to camp he showed it off, and kept saying he wouldn't sell it for 10 dollars. One of the boys offered him 9 dollars, and he said, "I'll take it."

Now, you can't tell me that boy isn't going to get ahead!

(more)

There is absolutely no reason why poverty should exist in this country.

This is the greatest, most productive Nation in the world. We have the resources to wipe out poverty, to end its senseless waste of human lives and human talents.

The cost of removing this blinding, senseless oppression will more than repay itself. We can afford it, too. We have a Federal budget that runs into the billions, yet we are spending less than \$750 million in our war on poverty. The President has made it clear that this will be expanded. His courageous, democratic declaration of unconditional war on poverty has stirred this Nation to all-out action.

All this serves to remind us again that we must put people first in our thinking and planning. Abundance of food and material wealth is meaningless unless it benefits people...and unless people are prepared to make use of it.

Full and complete development of our society and the elimination of poverty is a project of many dimensions -- most of them inseparably related to each other.

It is not enough to eliminate the immediate outward signs of poverty and do nothing about what really causes poverty.

It is not enough to build highways and roads that lead only to abandoned towns and withered communities.

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It is not enough to promote and attract industry and not have the young people educated and trained to take the highly skilled jobs which modern industry requires.

It is not enough to attack the complex and burdensome problems of cities and leave the problems of farm families and rural people unnoticed and untended.

The answer is not to transform rural poverty into urban poverty, but to strike at the causes of poverty and decay wherever they exist.

We in the Department of Agriculture are re-orienting our thinking to cope with this new situation, this new need.

We are broadening our concern to embrace people and communities as well as farms and commodities.

Agriculture is still rural America's single biggest industry, and it will remain so for the foreseeable future.

I believe, as do those who have the interest of agriculture and the national welfare at heart, that commodity programs remain the keystone to the abundance of food and fiber we all enjoy today. Without commodity programs, net farm income would be cut by half -- and the family farm would be threatened with extinction.

But commodity programs alone will not assure all rural Americans a parity of opportunity with urban areas. Only one out of four rural Americans are farmers, and many of those who farm have too few resources to make a decent living.

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When I became Secretary, it was clear to me, based in part on my experience as Governor of Minnesota, that the time had come for the people of rural America to reach out for a better life. It was clear that the problems of low rural income which many people associated with agriculture, the so-called farm problem, had to do with a good deal more than just farming. The problem was more than anything a lack of opportunity for the family with a farm too small to provide an adequate income or for the family in a community where the economy is stagnant.

I think it can best be illustrated by an observation that applies to most of rural America. While each of us yearns for the green spaces and quiet beauty of the country, it takes an urban income to enjoy that kind of rural life. Yet I see no reason why those who want to stay in their home community should not have the opportunity to make a decent living there... I see no reason why a rural child should not have as good a chance as a city child for a first-class education...or why credit should not be equally as available to the rural businessman as it is to his urban counterpart...or why the rural family should not be able to get credit to build a home on as favorable terms as those available in cities or suburbs...or why rural communities should not be able to supply the water and sanitary and other services which make for pleasant community life.

We are faced, whether we fully understand the challenge, with a transformation in the whole of rural America. It should, and is, transforming the Department of Agriculture.

Four years ago, there were many people who said that rural America had little or no potential for growth. That belief still is prevalent in many quarters.

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There are still some so called experts who say rural communities no longer serve any real or useful purpose.

But the people of Little River County and thousands of other communities throughout rural America are proving that rural areas have the potential for growth.

They are proving that no town need die if the people who reside there want it to live.

And I am proud to say that they have the full support of the President, the Federal government, and most emphatically, the Department of Agriculture.

There is a great stirring in the Nation today because there is reason to hope that the past need not limit the hope for tomorrow. It is born of a national desire to achieve a new destiny for the people of America -- a destiny unfettered by poverty -- a destiny that will make available to all the full fruits of our abundance.

I ask you to join me in helping make it possible.

Thank you.

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U. S. Department of Agriculture
Office of the Secretary

I have spent nearly half of this week in the State of Arkansas.

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When I reported that fact to Congressman Mills, he simply replied this would be a better world if everyone could spend at least half his time in Arkansas.

In the light of my experience, I could not argue the point. I've had a happy time. I've been with hospitable, well-informed, articulate men and women and youngsters. I've been charmed by the natural beauty of this State. But most of all I've been inspired by the spirit that prevails in Arkansas. In agriculture, in industry, in business, in recreation--in all the areas of opportunity development--the people of Arkansas are moving with a vigor, enthusiasm and purpose that provides a good working model for the whole of the society.

Yet, my own state loyalty demands that I at least try to make a deal with Congressman Mills on where folks spend their travel time--like maybe half in Arkansas and half in Minnesota. And perhaps I can claim another vote for this proposition from Ann Landers, who shares with me a Minnesota background.

Both states have very special qualities. And they also have much in common--fine citizens, good dairy farmers, progressive Co-operatives and attractive scenery.

I am grateful for the opportunity to have a little part in this annual meeting of the Central Arkansas Milk Producers Association, and particularly pleased to share in a homecoming visit of your Congressman. This does not mean I do not see him, or hear from him, in Washington. Wilbur Mills has a very deep,

Address by Secretary of Agriculture Orville L. Freeman before annual meeting of Central Arkansas Milk Producers Association, Arkansas State Teachers College, Conway, Arkansas, Saturday, March 27, 1965, 1 p.m. (CST).

and continuing dedication to the welfare of Arkansas agriculture--and I can assure you he regularly communicates this interest and concern to the United States Department of Agriculture.

Yet, you all know--just as I know--that Wilbur Mills is a nationally-recognized Congressional leader. And, as a non-resident of his District, I want to thank you in behalf of men and women throughout the nation who appreciate quality in government for sharing him with us.

A little more than four years ago, when I became Secretary of Agriculture, I believed the primary responsibility of the Department of Agriculture was to help farm families exercise more muscle in the markets where their products are sold. And I recognized then--as now--that farmer-owned and operated Co-operatives could play an increasingly effective role in that area.

Co-operatives were in operation, of course, long before any of us was born. But by reconstituting the Cooperative Advisory Committee and other actions, I hoped to achieve a higher degree of mutually-helpful communication between Co-ops and government and better implement the legislative mandates of the Congress affecting Co-operatives, in the light of modern problems and potentials.

I believe significant progress has been made in these areas. And I can assure you my confidence in the continuing contributions of Co-operatives to the advancement of agriculture's well-being is strengthened by the growth and effectiveness of the Co-operative movement in Arkansas.

I have been made familiar with the history, the present activities, and the goals of the Arkansas Co-operative movement through association with such leaders as David Parr and Harry Oswald. I want the members they represent to know what a

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great privilege it is for a Secretary of Agriculture to work with two men who are so fully dedicated to the organizations they represent, and at the same time so understanding of the interests and problems and objectives of other groups in their own and other states. Wherever they represent you, you are represented with distinction.

American agriculture, by and large, is made up of commodity interest areas. The majority of the farmers here at this annual meeting are, naturally, farmers who earn all or most of their incomes through dairying.

Yet, just as no man is an island, neither is any segment of agriculture. Each is a part of the whole--and they sink or swim together.

In his recent Farm Message to the Congress and our people, President Johnson said: "Farm policy is not something separate. It is part of an over-all effort to serve our national interest, at home and around the world."

By the same token, a successful dairy policy cannot be something separate. It must be a part of an over-all effort to serve wheat and feed grains and cotton and rice and tobacco farmers, and all the others who may need cooperative action by government in the areas of price support and supply management.

In that light, let's take a look at the farming and food situation that exists today.

No segment of the productive part of our society can match the record made by the families living in our free-enterprise, commercial family farms. All around the world, their achievement in creating an era of food abundance is considered miraculous.

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American consumers buy more of a greater variety of quality foods, at less cost in terms of take-home pay, than any other food buyers anywhere else in the world. For example, an American industrial worker--using one hour's pay--can buy a good, normal meal for four persons. In Germany and England it takes two hours work to buy the same meal; in Austria, 4 hours; in France, $4\frac{1}{2}$ hours; in Italy, more than 5 hours.

If the rise in the cost of food in recent years had been as great in the rise of other things, the American housewife would be spending \$1.17 for the food she now gets for a dollar.

The biggest beneficiary of the utilization of technological advances by farmers, and their increased investments of skills and work, is the consumer. If American farmers operated their farms today the way they did just before World War I, food would cost our consumers \$17 billion more a year--about \$300 per family.

In addition to providing all the foods our consumers want to buy, and maintaining adequate reserves, our farms produce enough more to make healthful diets available to those who cannot pay at all or can meet only part of the cost. These consumers, through school lunch and school milk and food stamp and direct distribution programs, receive around \$750 million worth of food each year.

And there's still another chapter to this story of food abundance. Our farms produce so well we can bring 4.5 billion dollars back into our economy from overseas through export sales. And we can use an additional \$1.7 billion worth of food a year as an instrument of our Nation's foreign policy through Food for Peace.

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All Americans know a better life because of this tremendous achievement in production of food and fiber.

But that's not all farm families contribute to the general welfare. They are good customers for the products and services that provide incomes for families of cities and towns. They spend over \$29 billion a year on goods and services related to agricultural production. Farming uses more petroleum than any other industry. Farmers take 6 percent of all the rubber consumed in the United States each year, and use 5 million tons of steel a year--a third as much as the automotive industry. They consume about 4 percent of the Nation's electric power--which, incidentally, they managed to obtain by their own efforts through such achievements as creating organizations like those included in the Arkansas State Electric Cooperative. In addition to the \$29 billion they spend on goods and services related to farming, our farm families spend another \$12 billion a year on family living--for food, clothes, cars, furniture, medicine, and household appliances.

Farming employs 6.1 million workers, and three out of every 10 jobs in other employment are related to agriculture. Approximately 10 million Americans have jobs storing, transporting, processing and merchandising products of agriculture. Manufacturers of food and related products alone employ nearly 2 million workers.

There's a close tie between what farmers earn and spend and nonfarm employment. The \$4.9 billion increase in gross farm income in the 4-year period since 1960 generated approximately 300,000 additional jobs in places ranging from rural trading centers to major industrial areas.

Now, let's look at the other side of the coin. In return for their vital contributions to the general well-being of the people of our Nation, what do farm families experience in the way of rewards?

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Fewer than 400,000 farmers are earning a wage comparable to that of a skilled industrial worker (\$2.46 an hour) and as much as a 5 percent return on investment. Between 2 and 3 million farmers are shy of a 5 percent investment return while failing to earn as much as the minimum national wage of \$1.25 an hour.

Those statistics prevail in the face of the fact that in each of the last four years total net farm income has been running about a billion dollars higher than in 1960, and realized net income per farm in Arkansas last year was 7 percent better than in 1963.

Our farmers simply have not achieved parity of income opportunity with other areas of a national economy that will--next May 1--achieve a new longevity record for peacetime growth. The per capita disposable personal income of the farm population in 1964 remained at about three-fifths of the average disposable personal income per capita of the nonfarm population.

That's not just bad for farm people. It is bad for the Nation, socially as well as economically. It is not in keeping with the free-enterprise tradition of balance between contribution and reward.

There are four words, designed to give comfort, that I could never find comfort in: "Things could be worse."

So it isn't with the aim of giving comfort, but to emphasize a fact determined by economists in and out of government, that I use those words.

Without farmer-government cooperation in the commodity programs we now have --programs designed to support farm income--the more than \$12 billion net return farmers earned last year would have been cut at least in half. We would have seen

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the end of the free-enterprise commercial family farm system. And we would have seen the total economic growth not moving toward a new record, but stymied by a sharp recession--if not an all-out depression.

This Nation simply cannot afford failure to provide free-enterprise, commercial family farms with opportunity to bring the families which operate them parity of income with the rest of the society.

In the weeks ahead we shall, through the Congress, be determining the food and farming policies that will decide the income opportunities on adequate, commercial family farms through the remainder of the 60's.

Sound, positive, progressive policy must have its roots in commodity programs that provide price supports for producers and make possible a reasonable balance between supply and demand in the market places.

But these programs, and the purpose of them, are constantly under attack. It is charged they are no longer necessary, or are too expensive, or are helping the wrong farmers, or are relief efforts no longer necessary, or are a combination of all these.

I am not a defender of the status quo in commodity programs. We must constantly strive to improve and strengthen them. The mechanics of their operation must be adjusted whenever new needs, new opportunities, develop.

But I urge you to join me in making clear to all our fellow nonfarm Americans in Arkansas and throughout the Nation--who have the power to out-vote us in decision-making--these facts about farm price support programs:

1. They are essential to all Americans--to every area of the society--because all our people realize substantial benefits from efficient commercial family farms.

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2. If we abandon the principles of supply management and price support now, we shall sound the death knell of the family farm and bring an end to the era of abundance as we now know it.

3. While the goal of reducing the cost of commodity programs is a sound objective, one that can and must be achieved, we must constantly measure gains in government savings against possible economic losses and social setbacks to the whole of the society. Efforts to cut costs must not diminish the opportunity for many thousands of farm families to achieve parity of income.

4. Commodity programs are not welfare programs--not a dole--but an investment in good management of national resources.

5. Our commodity programs have in the main been working effectively. Designed to improve earning opportunities for family farmers, they've helped add around a billion dollars a year more to net farm income than was being realized in 1960. Designed to bring supplies into better balance with demand and move surpluses into consumption, they have brought big reductions in the excessive supplies of wheat and feed grains that existed in 1960. Designed to provide consumers with an abundance of food at fair prices, they've been doing just that.

Let me say a direct word about dairying, which is of special concern to the members of this great Co-operative.

The proposals for farm and food legislation which will be sent to the Congress soon do not--as matters now stand--include a specific program for the dairy industry.

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This does not imply a lack of appreciation for the great contributions dairy farmers make to the physical health of the Nation, to the farm economy and the total economy, and to food exports for dollars and the Food for Peace program.

Neither does it imply a lack of concern for the very real disparity in income opportunity that afflicts the dairy farmers of this and other States.

No farmers have a better record in productive efficiency than dairy farmers. In the past 10 years the number of milk cows on farms has dropped from 21 to 16 million. Over the same period, however, milk production increased from 123 to over 126 billion pounds. While the number of milk cows was going down 25 percent, the volume of production moved upward by 3 percent. The drop in cow numbers continued into 1964, when milk production was rising to a new record of 126.6 billion pounds. Exports of dairy products also hit a new high last year, and stocks held by the government as a result of price support purchases were substantially reduced.

But--and I say this in candor, not in criticism--we have not so far had in the dairy industry sufficient basic agreement to provide a reasonable promise of legislative success for any program that has been developed.

The leaders of this Association are working hard to develop a working consensus among dairymen. They recently conferred with me in Washington, D. C. I want to reassure them, and you, the Department of Agriculture is anxious to help in every way possible to develop a sound legislative approach.

Meanwhile, the dairy price support program we now have--which, I should point out, contains just as many if not more benefits for consumers as it holds for producers--will be operated just as effectively as we know how.

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We shall continue to seek, through legislation and through government-industry efforts, expanded use of American dairy products overseas.

But I am confident you share my belief that the future of the dairy industry, in legislation and in growth, is closely tied to the food and farm policy determined during the present session of the Congress.

Unless we can maintain the principle of government-farmer cooperation in price support programs geared to accomplish parity of income, the future is dim for all commodities--and all farmers.

I am not pessimistic.

Farm families are a distinct minority of our total population--but the history of this democracy proves you don't need the most votes to achieve justice and fair play if you have the right reasons for them, and make the reasons known.

If we give the majority the truth, it will make the commercial family farmers of this Nation free to achieve parity in income opportunity.

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U. S. Department of Agriculture
Office of the Secretary

16, 1965
We are here today to discuss one aspect of what may be called the "opportunity gap" between rural and urban America.

In his message to the Congress on agriculture and rural affairs, President Johnson announced a new goal for those of us who are concerned with the problems of rural America. He described that goal as "parity of opportunity" for those Americans who live in rural areas.

The child who happens to grow up in rural America, or the family who happens to live there, does not now have -- on the average -- parity of opportunity.

Perhaps we can coin a new phrase to describe the people of rural America: They are the "geographically disadvantaged".

We have met today to talk about overcoming some of those disadvantages. We have met to consider how to close the "opportunity gap" for rural people.

I congratulate your President, Clyde Ellis, and his staff for their initiative in arranging this conference, for getting Vice President Humphrey and Sargent Shriver and Senator Douglas as participants, and for recognizing the need for action.

Let me illustrate what I mean by the "opportunity gap":

Address by Secretary of Agriculture Orville L. Freeman at the National Conference on the Poverty Program in Rural America, Shoreham Hotel, Washington, D. C., Tuesday, April 6, 1965, 12:15 p.m. (EST).

A family living in rural America is twice as likely to be living in poverty as a family in urban America.

A rural family is twice as likely to be living in substandard, slum housing.

Almost every city family is assured of an ample supply of pure water. But in many rural areas, no family can be sure of drinking uncontaminated water. Some 15,000 rural communities over 100 population have no water systems. A fourth of all farm homes, and a fifth of rural non-farm homes, have no running water.

Rural children have, on the average, less chance for a first-class education. Rural teachers are paid less; rural schools are less well-equipped. Such extra advantages as kindergartens, for example, which are taken for granted in our better city and suburban school systems, are almost unheard of in the countryside. The best, up-to-date vocational training for space-age occupations is concentrated in the cities. For higher education, far more urban than rural young people have college facilities within commuting distance. For all these reasons, the average educational attainment in rural areas is about two years less than in the cities.

Job opportunities are concentrated in urban areas. A recent survey by the National Rural Electric Cooperative Association shows that in more than half of the rural areas served by your organizations job opportunities are insufficient. Two-thirds of the cooperatives reported there were no adult job training programs in their areas, or those available were inadequate.

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Rural children receive one-third less medical attention than urban children. Rural people have less access to credit for housing, for business expansion, for public utilities.

I could go on. But the picture is clear. It is the picture of a segment of the American people who are disadvantaged in almost every way because of their place of residence -- the "geographically disadvantaged".

The President has challenged us to close the opportunity gap for rural America. Insofar as we who administer Federal programs are concerned, it is more than a challenge -- it is a directive. We are instructed to make sure that the benefits of Federal assistance programs -- like those under the Economic Opportunity Act -- reach rural America in a fair proportion. Insofar as rural organizations outside the Government are concerned, yours is the enormous job of mobilizing under the banner of "parity of opportunity" the leadership and the talent that exist in every rural community.

We know the opportunity gap can be closed, because it has been closed -- in at least one major respect. Thirty years ago we could have said about electricity what I said earlier about central water supplies -- almost every urban resident had access to electric power; relatively few rural residents had such access. To close this particular opportunity gap, we created one of the most productive partnerships between Government and local leadership in the history of America -- the rural electrification movement. In less than a score of years, parity of opportunity was virtually achieved. Today, scarcely an area in all of America is too remote to be reached by the lines of the rural electric cooperatives which make up the organization that is sponsoring this conference.

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So we have a model. Let us apply what we have learned in all the other areas of rural disadvantage.

The Economic Opportunity Act, which is our concern today, sets up another framework for a creative partnership between Government and local leadership. As communities take the initiative, organize, and prepare programs for eradicating poverty, the Federal Government stands ready to finance those programs -- just as it did in the case of rural electrification.

We have about one year's experience, now, in working with rural communities to obtain the benefits of that Act. And we have learned all over again about the inherent difficulties that stand in the way of extending the benefits of a Federal program equitably as between urban and rural areas.

These difficulties can be summed up to one word: "communication". Sargent Shriver may be able to launch the war on poverty in a city of one million people with a single phone call to the mayor. Usually, in fact, he doesn't have to call the mayor; the mayor, or somebody else, calls him. His happy problem in dealing with the cities, I understand, it often that too many people are ready to act, and he has to get all the groups who are eager to participate working together in a coordinated way.

But nobody can launch the war on poverty among a million rural people with one phone call, or a dozen phone calls, or even a hundred. A million rural people may be spread among several hundred counties, and literally thousands of communities. Until the leadership in every one of these communities is alerted, and moves into action, rural America will not be able to share in equal measure in the Federal assistance that is available to communities to wage the war on poverty.

The enormous magnitude of the communications problem is measured in the fact that, while rural America has about half the poverty in the United States -- and therefore half the need -- rural America has qualified for somewhat less than 5 percent of the funds so far allocated in those programs where community organization and community initiative are required.

This is not a reflection of lack of effort on the part of the Department of Agriculture or the Office of Economic Opportunity. It is a reflection, simply, of the magnitude of the problems of communication and organization among a dispersed rural population.

We are told by OEO that 90 percent of all cities over 50,000 population either have a community action organization in being or in process of formation. The Cooperative Extension Service tells me that a comparable figure for rural counties would be at the most optimistic, 30 percent. They report that they are working with, or know about, 738 counties in 46 States that are developing community action organizations and programs. Ultimately, this should mean, of course, that the 5 percent of the funds now going into rural areas will increase. Yet we know that the rural counties labor under inherent handicaps -- they have fewer resources of skilled professional personnel to work on project applications; they have less in the way of funds to finance trips by local sponsors to Washington or to the OEO regional offices; they are going to need more technical assistance and more time to get their projects in shape to be approved. So while that 5 percent figure is surely bound to rise eventually, I am afraid that the going, for a long time, will be mighty slow.

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During the past year, we in the Department of Agriculture have diverted all of the resources we could muster to work, in cooperation with the Office of Economic Opportunity, in helping the communities of rural America enlist in the war on poverty.

Staff members of the Cooperative Extension Service, or of one or another USDA agency, have been instrumental in encouraging and assisting many, if not most, of the rural communities who have thus far had community action proposals approved by OEO.

We are able to build, of course, on the strong foundations which you and we have laid through four years of intensive work in Rural Areas Development, beginning with our Land and People Conferences back in 1961.

As the result of that effort, rural community development groups are organized in more than 2,100 counties, involving over 100,000 rural leaders. These groups have helped to create some 412,000 new jobs in rural communities, including 40,000 jobs provided by 316 projects financed through the Area Redevelopment Administration. Over 550 rural communities have built or expanded water systems with USDA loans since 1961, and we have been able to provide financial assistance for a variety of other activities -- rural housing, small watershed development, rural recreation enterprises, new agricultural enterprises, and so on.

The elimination of rural poverty was from the beginning one of the stated aims of Rural Areas Development. The job-creating activities of the RAD committees are assuredly one of the essential means of overcoming poverty. But the Economic Opportunity Act, following the President's declaration of unconditional war on poverty, gave to local communities a whole range of new and effective weapons which they can now employ.

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As soon as the Act was sent to the Congress, we mobilized our communications resources -- just as you did yours -- to let rural communities know of the new opportunities that were at their disposal.

We have impressed upon every Rural Areas Development committee that the war on poverty is a high priority element of a complete RAD program. We have encouraged the RAD committees to **broaden** out as may be necessary and themselves become community action organizations or, as an alternative, help form other organizations in their communities to undertake the community action job.

We have assigned people to Mr. Shriver, from the very first day, to help him with the rural aspects of his job. Only yesterday, nine people from ~~our~~ Department reported for duty at OEO to work with **Dick** Hausler's rural task force.

The Federal Extension Service, the Farmers Home Administration, and other of our agencies have held regional meetings to inform and educate our field personnel and the State extension staffs, so that they in turn could carry the word out to local personnel working with RAD committees and other local organizations.

I will not mention the Title III program administered by FHA or the work the Forest Service is doing with the Job Corps, since Howard Bertsch and Dr. Singletary are among your speakers.

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We have established a new agency -- the Rural Community Development Service -- to provide a new communications channel to rural America serving agencies outside the Department of Agriculture. The top priority assignment of this new Service -- although its staff will be quite limited until we get our appropriation for next year -- will be to help the Office of Economic Opportunity get its message through to rural areas. You will meet the head of this new Service, Robert G. Lewis, at this afternoon's session.

Extension leaders in the various States are organizing in-service training programs this summer to prepare their people to work more effectively with low-income families and minority groups.

We are now working on a motion picture that will graphically portray the problem of rural poverty and provide a "How to Do It" guide to community organization.

The one additional ingredient that we have needed most, perhaps, is the one that I hope will grow out of this meeting today -- a better network of communication among and to rural leaders through the membership of the National Rural Electric Cooperative Association and other organizations participating in this conference.

If the rural poor are going to have a voice in our society, the organizations which you represent must be that voice.

Let's face it: We who speak for rural America have to compete with those who speak for urban America, and we are badly out-organized.

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Our rural organizations have magnificent records of accomplishment in some fields -- in supporting our farm commodity programs, rural electrification, soil and water conservation, for example. But when it comes to some of the most fundamental problems of rural America, our voices are scarcely heard.

For example: Powerful organizations are constantly publicizing the evils of the city slums, and they have obtained billions of Federal dollars for urban renewal. But how many organizations can you name that are actively supporting rural renewal, and how many dollars have we obtained?

Lobbyists from a dozen urban organizations are, at this very moment, organizing to support the President's proposal for a Department of Housing and Urban Development.

Strong organizations support the urban housing programs. But there is nowhere near the same degree of organized support for rural housing programs. That may help account for the fact that, since 1949, for every home the Federal Government has helped to build in rural America, it has assisted in the construction of something like 37 in our metropolitan centers.

This weakness in rural organizations is the inevitable reflection of the over-riding problem of communication among a dispersed population to which I have referred. The relative power and number of urban lobby groups is the reflection of the concentrated of people and the ease of communication within and between cities.

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So, I have six words of advice for you as you undertake to help rural America achieve full participation in the war on poverty. The six words are these: Organize, organize, organize, And communicate, communicate, communicate.

We need strong action organizations throughout rural America. We need vital lines of communication between those organizations, the State capitols, the land-grant colleges, and Washington.

Those of us in the Department of Agriculture will be doing all we can. I know that our colleagues in the Office of Economic Opportunity, and the other Federal agenices, will be doing all they can.

And I am delighted to know, through the very fact that this conference is being held, that your organizations that have made such a magnificent record of service to rural America, will be doing all that you can, too.

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+// Testimony of the Honorable Secretary of Agriculture
Orville L. Freeman

on
Food and Agriculture Act of 1965
before the
House Committee on Agriculture

April 6, 1965

Mr. Chairman, Members of the Committee:

I am pleased to be here once again, this time to testify in support of the proposed Food and Agriculture Act of 1965.

This legislation seeks to carry forward the goals which this Administration has consistently worked to achieve in agriculture. They are:

*To strengthen farm income which, in this most prosperous time, is far from adequate. There are today, out of more than 3 million farmers, only 400,000 who earn even close to parity of income -- the equivalent of a wage earned by a skilled industrial worker (\$2.46 an hour), and as much as a five percent return on investment. Most do not even earn the minimum hourly wage of \$1.25.

*To reduce the cost of farm commodity programs in order to free more public resources for the war on poverty, for education, for housing and for the many other programs designed to help people in rural and urban areas.

*To maintain food costs at fair and stable levels. The cost of food today takes a smaller part than ever of the average American family's spendable income -- less than 19 percent, and less than in any other country. The success of family farm agriculture is responsible for this achievement, and the continued health of American agriculture will insure that the cost of food will remain low.

The legislative proposals now before this committee and the Congress will enable us to maintain our progress in each of these areas by providing several new techniques which will give added flexibility and dimension to farm commodity programs. The changes contained in these proposals would:

*Encourage greater use of the marketplace to bring a fair return to farmers in domestic and export sales. We would rely less on tax dollars, and we would seek to move away from use of export subsidies;

*Assist small farmers -- whose age, lack of education or physical condition prevents them from shifting to other jobs -- through special provisions which will enable them to earn a better income with their present resources;

*Enable small farmers with the capacity and desire for growth to acquire the resources they need for an adequate size family farm operation, and insure that those who seek to earn a decent living in other than farming or who wish to retire will receive fair and just compensation for their assets;

*Provide the instrument for long-range adjustments in agricultural resources, recognizing that the need for balancing the supply of farm commodities with the demand will be of a long duration.

These changes, which we firmly believe to be in the national interest, are made possible because of the significant progress over the past four years in agriculture and the national economy. This progress has been made possible in large part because of actions taken by this committee and the Congress.

Over the past four years:

*The general health of the farm economy, while it requires much further improvement, has been significantly improved compared to 1960;

*Effective and impressive steps have been taken to enable low income families to increase their food purchasing power so they can buy the food they need for an adequate diet in the marketplace;

*Agricultural policies have been broadened so that they encompass not only the needs of commercial agriculture, a vital part of the nation's economy, but also the social and economic needs of the rural community as a whole. President Johnson, in his farm message, accurately highlighted this new concept as a way to achieve "parity of opportunity for all rural people."

*The fifth year of uninterrupted economic growth has brought the nation to peak prosperity. This record expansion has created additional resources with which to attack poverty and other social problems. It, plus increasing efficiency on the farm, has meant that personal income has increased more rapidly than the cost of food so that the American people today eat better and cheaper than any people in history.

PROGRESS IN AGRICULTURE

Realized net farm income, for each of the past four years, has averaged \$900 million higher than in 1960. Realized net income per farm last year was \$3,642 or \$681 above the level in 1960. In this period, record high levels of grain stocks have been reduced to manageable levels;

wheat stocks have dropped from 1.4 billion bushels to below 900 million bushels, and feed grain carryover will have decreased from 85 million tons to about 56 million tons by the end of the current marketing year. This means a total reduction in wheat and feed grain stocks of over 1.5 billion bushels. If the Commodity Credit Corporation held this quantity in their inventories for a full year, carrying charges (storage, handling, transportation, and interest) would be about \$650 million.

The reductions in costs and in inventories, as well as the increase in realized net farm income, are in large part the result of the voluntary feed grain and wheat programs which this committee has helped to develop and which the Congress has enacted since 1961. Without these actions, it is estimated that the nation's farmers would have added 3.4 billion bushels of wheat and feed grains to carryover stocks which would have ultimately resulted in substantial additional costs for carrying charges substantially greater than the diversion and other payments made to producers in return for voluntarily curtailing production these last four years.

However, progress made to date is still far from satisfactory. That is why the proposed legislation now before you directs itself strongly to the need to improve farmer income. In the absence of a fair return in agriculture, we will not, in the long run, get the people and the resources we must have in farming if the abundance we enjoy today is to be assured in the future.

PROGRESS IN SHARING ABUNDANCE

The crisis in commercial agriculture was only one of many challenges which faced the Administration and the Congress four years ago. In 1960, when the nation's storehouses were bulging, hundreds of thousands of Americans were going hungry. Millions lived on an inadequate diet largely supplied by a miserly ration of flour, lard, cornmeal, dry milk and butter distributed directly from Federal surplus stocks. You will recall President Kennedy's first executive order which doubled both the quality and quantity of this program -- adding meat, cheese, dried eggs, beans and peanut butter to the commodities made available to hungry Americans. Eventually the commodity list was enlarged to include 15 food items. The number of people participating in the program grew from 4.3 million early in 1961 to a peak 7 million by mid-1963.

In this same period, we began the pilot Food Stamp program which, at its peak, was extended to 43 areas and reached nearly 400,000 people. This program made it possible for low income families to buy food coupons with the money they normally would be able to spend for food and receive enough additional coupons to buy the food needed for an adequate diet. This committee, after careful study, acted on President Johnson's strong recommendation to make the program a permanent instrument in the war on poverty. This month, we will inaugurate some 21 additional food stamp areas, bringing the total up to 91. We anticipate that about one million persons will be covered by the program currently, and we plan to gradually enlarge it to reach low income families in all of urban and rural America.

Thus, you have enabled farmers to earn a better return for the abundance they produce while seeking to insure that no American is denied the opportunity for an adequate share of this abundance. These are significant accomplishments.

Equally significant, this committee and the Congress have helped to launch a rural renaissance by recognizing that agricultural policy today is concerned with the rural community as a whole. Agricultural policy must deal with rural affairs, for only by so doing can it effectively serve the needs of the farmer and the nation. As a result, there has been in the past four years a whole new series of Congressional actions aimed at the underlying social and economic needs of the rural community.

PROGRESS IN RURAL AMERICA

Housing legislation in 1961 and 1962 broadened the authority of Farmers Home Administration in the USDA to make credit available to all rural Americans. Non-farm home building is accelerating in rural areas. Special emphasis was given to housing for senior citizens. The Area Redevelopment Act in 1961 made additional resources available to the rural community to help finance industrial and business expansion and to build essential community facilities.

The Food and Agriculture Act of 1962, which I have often described as the charter for Rural America, and other Federal legislation, expanded the dimensions of rural development. The construction of rural water systems, and recreation development on both a community and individual basis, was made possible by new or expanded loan programs. The small watershed program was expanded. Two pilot approaches to rural development

-- rural renewal projects, and the resource conservation and development projects provided for in the 1962 legislation are going forward in different parts of the country.

The same year, the Congress also enacted the Manpower Development and Training Act. Next year came the Vocational Education Act of 1963. Both contained authority to provide rural people with the opportunity to gain new and useful skills.

The results of these programs carried forward through local rural areas programs are both impressive and heartening. Local leadership has responded to the challenge -- there are rural community development groups involving over 100,000 rural leaders in more than 2,100 counties today. These groups have helped to create some 412,000 new jobs in rural America, including more than 40,000 jobs provided by 316 ARA-financed projects.

Over 558 rural communities have built or expanded water systems with USDA loans of nearly \$73 million since 1961, while 92 projects costing nearly \$59 million have been financed in rural communities with ARA assistance. Over 45,000 rural homes have been built or improved in rural areas through housing loans totaling nearly a half billion dollars in the past four years. More than 26,000 land owners during this period have established one or more income-producing recreation enterprises through USDA programs. About 10 percent of these now are a primary source of income. In addition, some 422 recreation projects have been financed by USDA loans, including 104 nonprofit community projects.

Our experience these past four years has taught us two important lessons:

*With adequate funds and sufficient technical assistance, the rural community can reach out to provide better opportunity for rural Americans. We have shown that rural America has the capacity for growth;

*We cannot duplicate -- and should not try to duplicate -- within the U. S. Department of Agriculture all the expertise and services of the rest of the Federal government such as education, manpower, health, welfare, youth counseling, employment programs, and all the rest.

For the Department as a whole, and for the rural areas development effort particularly, this means that we should concentrate on helping other agencies and programs bring their benefits to rural America.

The President, deeply conscious of the full range of needs of rural America, has acted to insure that rural America has equal access to all Federal services. In his message to the Congress on February 4, he directed the USDA to establish a Rural Community Development Service to provide "outreach" so that every program of the Federal Government will, in fact as well as theory, be available to the rural community that seeks such cooperation. The same month I established this RCDS agency, and its new administrator, Robert G. Lewis, is moving swiftly to carry out the President's directive.

Thus, there is underway an ever enlarging effort to achieve President Johnson's goal of parity of opportunity for rural America. Four years ago, there were many people who said that rural America had little or no potential for growth. The instruments which the Congress has forged to give rural America a fighting chance has proved this belief wrong.

PARITY OF INCOME FOR AGRICULTURE

Progress these last four years in strengthening the economic base of rural America is heartening. But, as President Johnson sharply and succinctly pointed out in his message to Congress, we must differentiate between the challenge and opportunity in the rural renaissance now underway....and the challenge and opportunity to maintain the strength of commercial agriculture so critically important to the national well being.

Commercial agriculture is a matter of national concern, not because of any failure, but because of a fantastically successful productive revolution.

In the immediate years before World War II, farm productivity was increasing only half again as fast as industrial productivity. At that time if every person had had enough to eat, there would have been no surplus. In the years following World War II, farm productivity has been increasing twice as fast as industrial productivity. We now recognize that we can produce more food than we can consume at home or sell and effectively share abroad.

As President Johnson noted in his letter transmitting the new legislative proposals, if industrial productivity had increased at the same rate as in agriculture, we could have produced the same level of output in 1963 with 8 million fewer people than were actually employed. Instead of four million unemployed, there could have been 12 million; and unemployment benefits would have cost more than \$9 billion instead of about \$3 billion.

These figures provide some understanding of the effects of the output revolution in farming; and they indicate the nature of the adjustment which currently is underway in commercial agriculture.

The fact that fewer than 400,000 farmers earn close to a parity of income means that we must do better for the family farm system which makes it possible for the American people to eat better and at lower real cost than ever before.

Over the past 30 years, the commodity programs which provide price and income support to the farmer while keeping production in check have proved to be the most sensible instrument for dealing with the output revolution. They have helped to strengthen the family farm system while at the same time they have been effective in keeping food supplies roughly in balance with demand.

We propose to keep and improve them; and, recognizing that the output revolution will run for many years, we propose to strengthen their effectiveness with programs which will have more long-range effects. The Cropland Adjustment Program will enable the individual commodity programs to focus on the immediate food and income needs while reducing their cost.

With the certificate program for wheat and rice we seek to eliminate the export subsidy, and at the same time significantly cut government costs. Our position as a great, progressive trading nation will be strengthened in this manner.

Under the wheat and rice programs the producers of these crops have the opportunity to go to the free market as fair bargainers to obtain a decent return for their products as do other producers in our economy.

I would emphasize that it is highly desirable that the farmer receive a return from the consumer and the marketplace rather than from the taxpayer. It is reasonable to anticipate that there will be those who will contend that this kind of program is an imposition on the consumer.

However, I am confident that the American people, when they realize that in the last 10 years the farmers' prices have dropped 4 percent while the general cost of living has increased 15 percent, will support the desire of the family farmer to get a fair return in the marketplace.

The total effect of providing a higher return to farmers from the marketplace for wheat and rice, as proposed, would be to increase the cost of these foods about 3.6 cents a week or \$1.87 a year per capita. It would increase the food expenditures of an average family of four -- which now spends about \$1,400 for food -- about one-half of one percent.

In the past four years, the take-home pay of the average family has sharply increased....we have substantially enlarged the direct food distribution program....we have increased the food purchasing power of families participating in the Food Stamp program from 25 to 38 percent.... and we have launched a series of programs designed to help millions escape from poverty. All these developments point to one conclusion: there will be no hardship because of the commodity programs we are proposing today.

The commodity programs called for in H R. 7907, while sharply focussed on the goal of parity of income for the adequate family farm which produces most of our food abundance, also seek to provide more help to the small farmer.

Through the use of graduated payments as long followed in the successful sugar program, the income for the adequate size rice and wool producer would be maintained at current levels, but additional payments would be made to smaller producers.

Through the proposed authority to transfer and lease allotments, the part-time farmer who seeks to leave or the farmer who wishes to retire will get a fair return for his allotment while the smaller farmer who needs to expand to an adequate size family farm will be able to do so.

The Cropland Adjustment Program will help the part-time farmer who wants to discontinue operations and the older farmer who wants to retire -- and at the same time it will help contain productivity and will reduce the cost of farm commodity programs. Obviously it will be less expensive to keep land out of production on a long-term basis than to make the same adjustment year by year as we do now in the wheat and feed grain programs.

Both the Cropland Adjustment and the sale and lease of allotment features will be carefully supervised by the county ASC committees to prevent both abuses and any adverse effect on the local economy.

Let me now turn to the specific titles of the proposed legislation to briefly describe each of them.

Titles I and II of the proposed legislation would amend and extend the wheat and feed grain programs now in effect. Title III would make the price support system for rice similar to that now in effect for wheat, while leaving the acreage allotment and marketing quota provisions essentially unchanged. Title IV would extend the Wool Act with some amendments.

Title V would provide for a long-term Cropland Adjustment Program. Title VI would authorize transfer of acreage allotments among farms within states.

Title I would continue and improve the voluntary wheat program enacted last year. The principal change would be to raise the maximum level of price support on wheat used for human food in the United States to 100 percent of parity, or approximately \$2.50 per bushel. The price supports for domestic food wheat from the 1964 and 1965 crops is \$2.00 per bushel. It is our intention to make full use of this provision in 1966 to increase producer returns by at least \$150 million and to reduce export subsidy costs substantially.

Important provisions of the wheat program which would remain in effect include: authority for establishing national and farm acreage allotments; for making wheat and feed grain acreages interchangeable; to offer payments for additional diversion below the acreage allotment; and optional provision for export certificates.

Title II would extend the voluntary feed grain program first enacted in 1961. All the major features of the program would be continued, including authority added in 1962 to extend a portion of price support to farmers as payment-in-kind.

Important changes would provide for diversion payments at levels needed to meet program objectives without a maximum limit; authority to encourage production of soybeans when such additional production is needed; and authority to make price support payments on all or a part of normal production.

Title III would authorize a marketing certificate program for rice in place of the present price support program. Marketing quotas would remain, and acreage allotments would continue as at present, except the minimum national allotment would be changed to the acreage needed to produce 60 million hundredweight. The present national acreage allotment is well above this level, and we do not now foresee any need to change it.

There would be two levels of price support. Marketing certificates would be issued on the portion of the crop used domestically -- about 35-40 percent except that small producers would be eligible for certificates on a higher percentage of their crops. Total support on that portion of the crop would be in a range of 65 to 100 percent of parity. The loan rate for all rice would be near competitive world prices.

To illustrate, producers could receive certificates on up to 55 percent of the first 500 hundredweight produced; on up to 45 percent of the next 1,000 hundredweight produced; and equal to the national domestic allocation on all production over 1,500 hundredweight. In other words, no rice producer would receive less than his share of the domestic market.

Each farmer, by his production decisions, could determine his average return per hundredweight, depending on plantings within his allotment.

Certificates would be purchased by millers on all rice processed in the United States. But the value of the certificates would be refunded on any processed rice that was exported.

As in the case of wheat, CCC would facilitate the handling of certificates by redeeming the farmers' certificates in cash and in turn, selling them to rice millers and processors.

With returns from domestic food rice at 100 percent of parity, farmer incomes can be increased, while government costs are lowered some \$35-45 million per year. All producers will earn more than they will this year, and small producers will be able to significantly raise their earnings.

Title IV would amend and extend the Wool Act which has worked so well for 10 years. It would remove the unrealistic production goal of 300 million pounds, and would provide for three ranges of price support, depending on the quantity of wool produced on the farm. All but about 15,000 out of 248,000 producers would qualify for supports on all their production in a range of 75-90 percent of parity (about 62-74 cents per pound) compared with the 62 cents support level in effect for 10 years under the Wool Act. Some 10,000 producers whose production ranges from 2,000-7,000 pounds per year would qualify for supports on most of their production in the range, .70- and 85 percent of parity (about 57-70 cents); about 5,000 of the largest producers would qualify for supports on production up to 2,000 and 7,000 pounds as indicated above. But on production over 7,000 pounds supports would range from 65-80 percent of parity (about 53-66 cents today).

With these amendments, the Wool Act can continue to stabilize the wool industry and to support grower incomes with special attention to small growers.

Title V of the bill would authorize the Secretary to enter into five to ten year contracts with landowners during the five years, 1965-70, to divert cropland primarily from allotment and price-supported crops to other uses. Communities would be protected by a limit on the percentage of land which would be contracted in any area and possibly in any year. Grazing would not be permitted except in emergencies.

Where the agricultural purposes of the program would also be served, funds available could be used to assist state and local government to develop recreation and wildlife, to beautify areas, and to prevent pollution, including the acquisition of land for such purposes. Our experience with Cropland Conversion, and the current enthusiasm for natural beauty and recreation development leads us to the conclusion that significant acreages can be moved into new permanent important uses.

Savings compared with annual diversion programs are expected to be in the range of \$4-5 million per million acres contracted, plus the long-range effect of permanently reduced production capacity.

If this program can be built up to about 40 million acres after 5 years, it will reduce our dependence on annual programs and save up to \$200 million a year. But it will take time to do this, and it is essential to continue the annual diversion programs if we are to avoid building up new and record levels of surplus stocks.

Title VI would authorize transfer by lease or sale of acreage allotments. Transfers would be limited to within states, and would be authorized only if they would not impair effective operation of commodity programs. This provision can encourage the development of economic sized family farm units.

Provisions of this Title would probably be used for crops for which mandatory programs are in operation, or for which little acreage is planted outside allotments. We do not believe it could be used for crops, such as feed grains and wheat, with voluntary programs and substantial non-compliance.

I would conclude this testimony by reviewing a number of matters which I know to be of concern to this committee.

We are continuing to study the cotton program in cooperation with cotton producers and with the industry. Hopefully, means can be found that will command broad support to reduce costs, to lower CCC stocks and to keep cotton competitive with other fibers and in world markets.

We have the question of how to most effectively maintain a reserve of farm commodities under intensive study. The Food and Fiber Commission soon to be appointed by the President will carefully review the nation's reserve policy.

Finally, there has been strong interest in requiring by law a higher minimum price for sales of CCC grain stocks in the open market. A number of bills before the Congress would raise the minimum from 105 percent of the loan rate to a range of 115 to 125 percent.

The USDA shares the stated objectives of these proposals -- that is, to strengthen prices, to make maximum use of market forces in guiding production and of private marketing facilities in handling commodities, and to minimize CCC activities in marketing commodities. However, in addition to its concern with the effective functioning of the free market the USDA has the responsibility to operate the feed grain and wheat programs as effectively as possible for the producer at a minimum cost to the taxpayer. This can't be done if we are required to hold stocks from the market to obtain prices so far above loan levels that we can't get farmers into the program. I have every respect for the operation of the market. It can set values and quality differentials far better than the Government. We rely on the trade to handle CCC commodities as the CCC has virtually no facilities -- and we want to reduce those we do have.

I repeat, however, that we must consider the producer and the consumer as well as the trade when we determine the ground rules for operating our commodity programs.

Actually, a careful review of the facts will show, I believe, that our grain programs have been well administered to provide higher farm prices and at the same time to make the maximum use of the marketplace in the management of stocks. We have enjoyed an unparalleled period of stability in which gradually rising prices have benefited the entire economy.

Here's what Commodity Credit Corporation operations have helped accomplish over the past four years:

Wheat stocks have been reduced by 500 million bushels. Each year since 1960, average farm wheat prices have been above loan levels -- in 1961 and 1962 by 4 cents, in 1963 by 3 cents, this year by an expected 8 cents per bushel (see attached chart). In the preceding 10 years, 1951-1960, farm prices were below loan levels in every year -- by as little as 3 cents and as much as 17 cents per bushel. This shift to strong market prices relative to loan levels is the result of restrained and careful sales policy.

Commodity Credit Corporation did sell nearly 50 million bushels of wheat for unrestricted use from July to October last year to meet the needs of the milling industry and to comply with the directive of Congress to ease the transition to the new program. Since mid-October CCC sales of wheat for unrestricted use have been only 5 million bushels, and we are not selling at all now. This situation will not occur again, and we expect that in future years, Commodity Credit Corporation sales will be relatively small. Certainly minimum turnover of Commodity Credit Corporation stocks is one of our objectives.

Turning to feed grains, total stocks are down some 30 million tons in four years, after a decade of steady increases during which 65 million tons of grain were added to stocks.

Average farm prices for corn (including loans) have been 8 to 14 cents per bushel above the 1960 level in each of these past four years (see chart 2). Prices have been slightly above loan levels these past

two years, after the program was changed in 1963 to encourage stronger market prices. By contrast, average farm prices for corn were below support levels nearly every year in the 1950's.

To interpret the feed grain situation, we must remember that in 1961 and 1962, heavy sales of feed grains by Commodity Credit Corporation were an integral part of the program. Congress intended and Congress directed Commodity Credit Corporation to sell corn to keep prices below supports -- to make the program effective.

As a result, Commodity Credit Corporation sold 975 million bushels of corn in 1961-62 and acquired 637 million bushels. In 1962-63, we sold 736 million bushels and acquired 480 million bushels (chart 2). The conditions which brought these results no longer exist. Beginning with the 1963 program, price support payments released the "sellback" of feed grains. Corn sales last year were only 170 million bushels and acquisitions were 70 million bushels. This year sales are expected to be in the range of 300-350 million bushels, and acquisitions will be around 50 million bushels. Commodity Credit Corporation acquisitions of corn will, in fact, amount to only 2 percent of the crop this year.

Thus the objectives of strong and stable prices and maximum use of normal channels of trade are being realized under present procedures. With the programs extended and with surpluses reduced, we can, in the future, make even greater use of the strong and vigorous marketplace provided by cooperatives and the grain trade generally. But we must not yield to the temptation to make prices so high the programs become

unworkable. The Feed Grain program has worked excellently. It has been well worth the cost. But the cost has been high, and if it goes higher, the program will be gravely threatened.

Further, we must keep in mind that for a number of reasons, including substitution, the price relationship between wheat and feed grains must be based on the feed ratio between them if our programs are to work as intended.

It has been recommended by some that the problems I have just described, which would result from sharply raising, by law, the sales prices for CCC grain, could be met by lowering the loan rate on wheat to about a dollar and on corn to about 90 cents a bushel.

I have given this careful consideration. The loan rate has a decisive influence on farm prices and farm income -- particularly to small farmers. Farmers are still significantly below parity of income today, and this being the case, I do not believe it would be in the national interest to lower the loan rate.

These, then, are the major proposals for agriculture which the Administration is submitting at this time.

They will continue to strengthen the incomes of farmers, making possible steady progress toward the goal of parity of income.

They will reduce the cost of farm commodity programs.

They will enable us to continue an orderly reduction of surplus grain stocks.

They will enable our family farm agriculture to continue to provide the American people with an abundance of food and fiber at the lowest proportionate cost in history.

They will enable agriculture to compete even more effectively in world markets, and to increase the significant contribution it makes to our dollar earnings abroad.

They will contribute to an orderly adjustment in agriculture by helping both those farmers who wish to enlarge their resources and those who wish to retire in dignity or to move to other jobs with better incomes.

I will do my best to answer any questions the committee may have on the legislation.

Thank you for your kind attention.

CORN

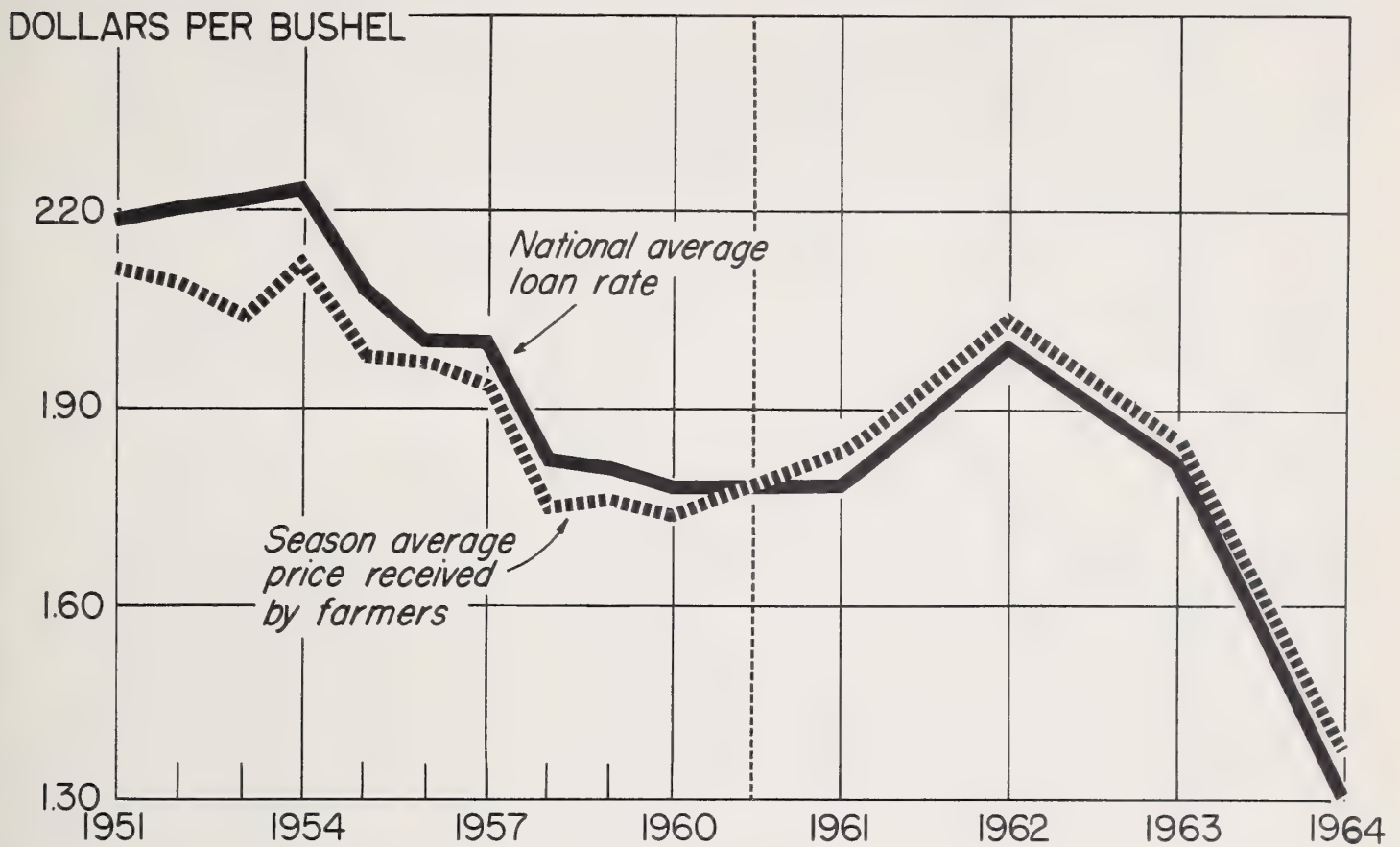
	<u>CCC Sales</u>	<u>CCC Acquisitions</u>
	(million bushels)	
1960-61	311	480
1961-62	975	637
1962-63	736	480
1963-64	170	75
1964-65 (estimated)	(325)	(50)

WHEAT

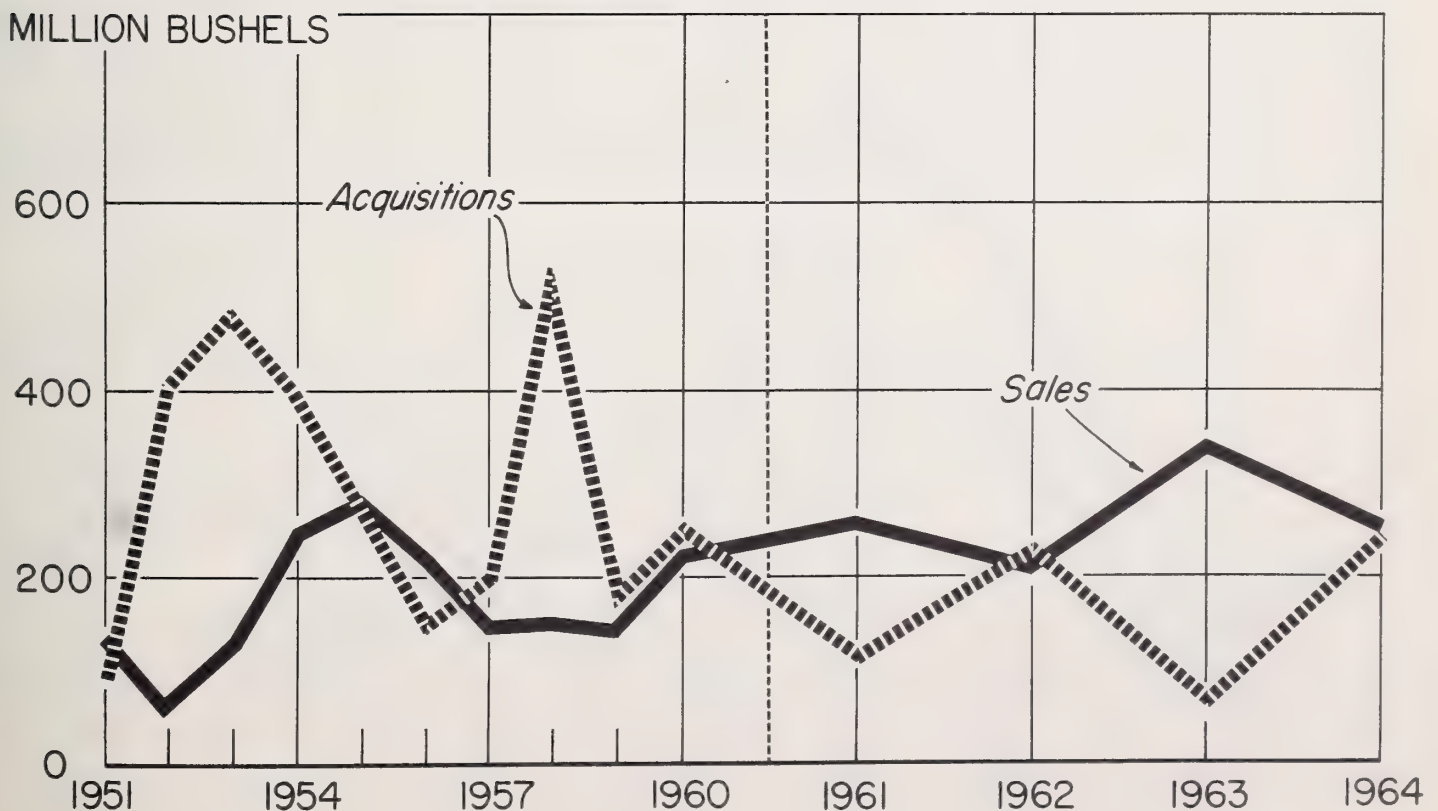
	<u>CCC Sales</u>	<u>CCC Acquisitions</u>
1960-61	226	250
1961-62	255	113
1962-63	208	223
1963-64	342	67
1964-65 (estimated)	(250)	(240)

WHEAT: GOVERNMENT PRICE SUPPORT OPERATIONS

Farm Price and Loan Rate

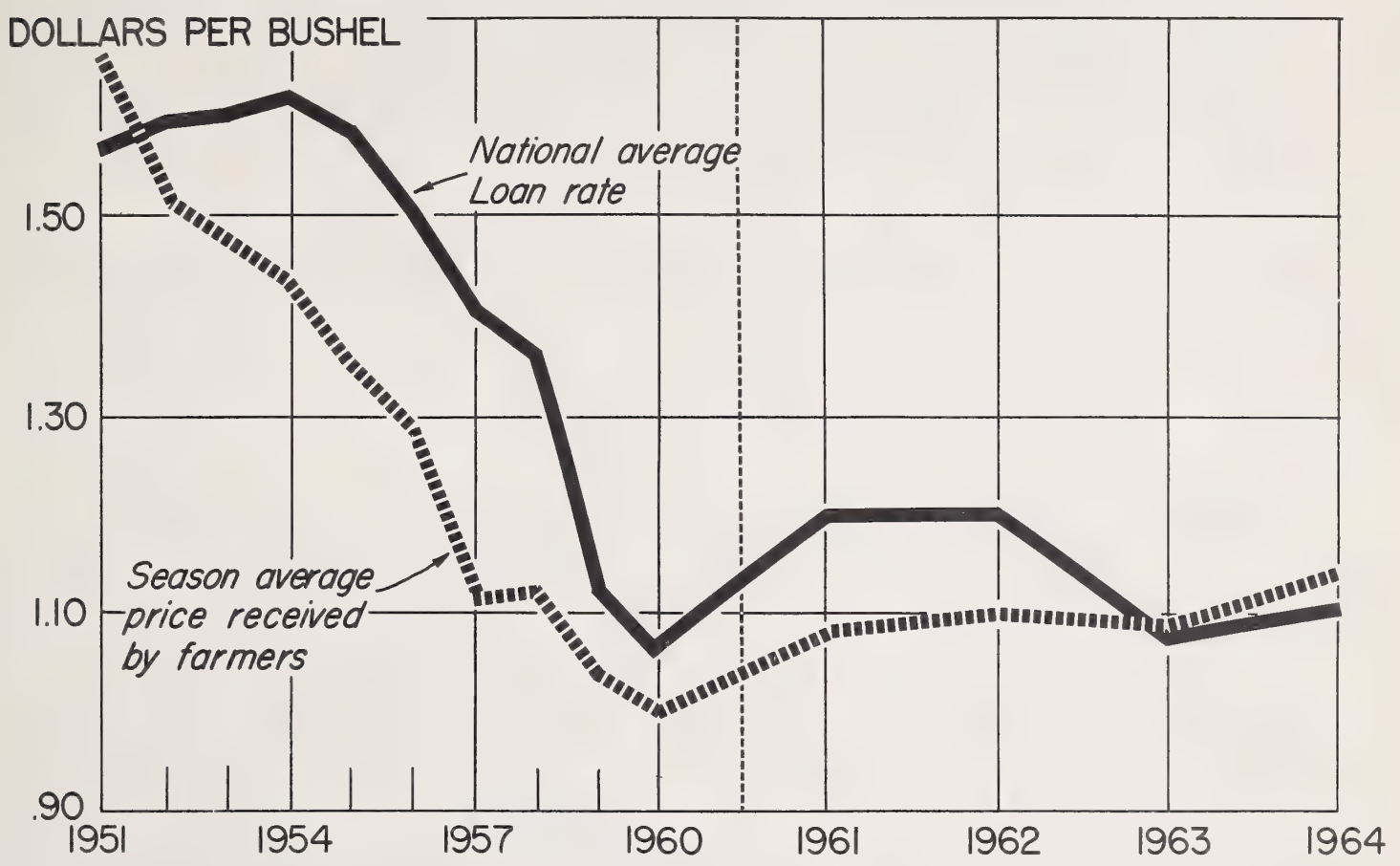


CCC Sales and Acquisitions

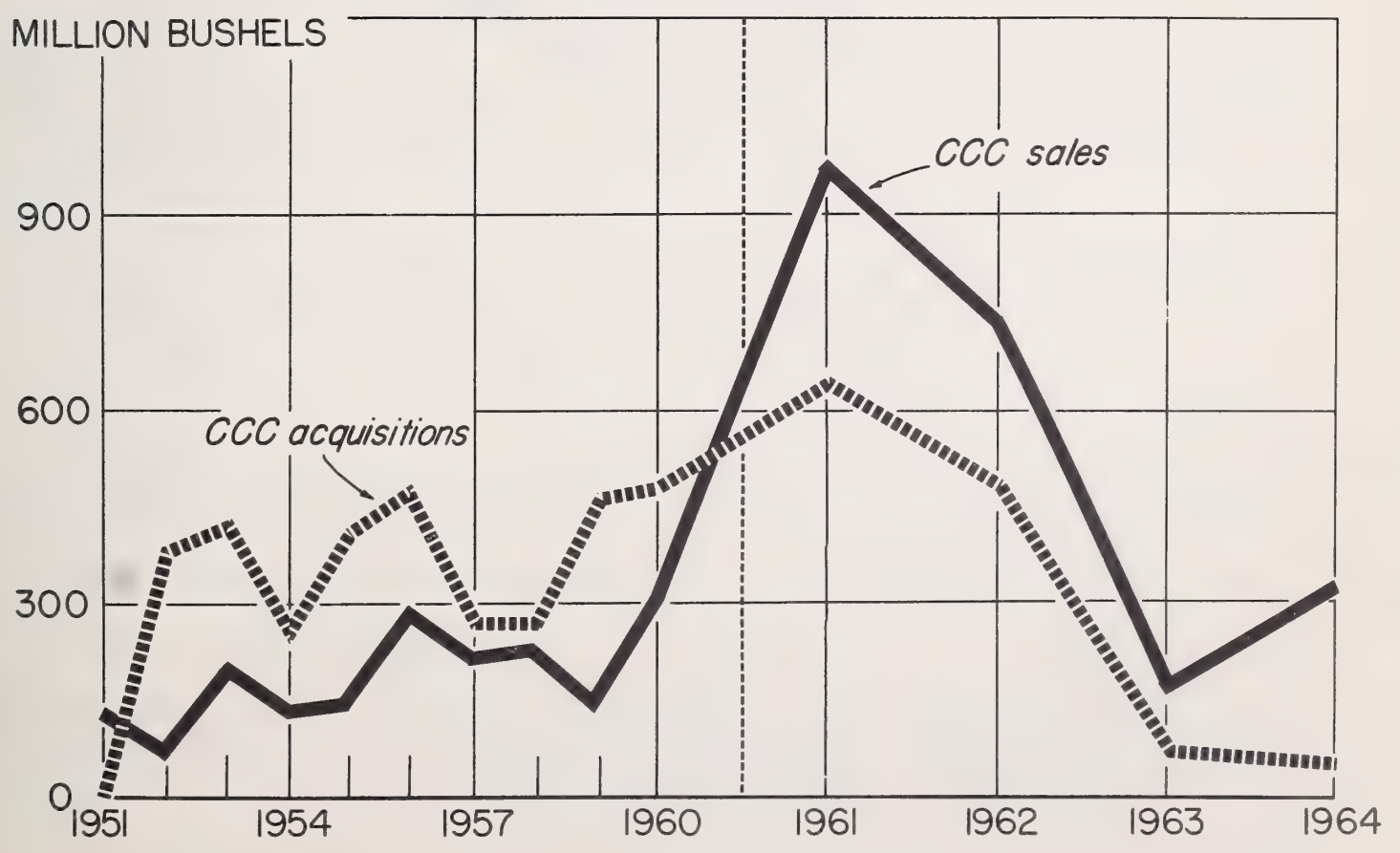


CORN: GOVERNMENT PRICE SUPPORT OPERATIONS

Farm Price and Loan Rate



CCC Sales and Acquisitions



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U. S. Department of Agriculture
Office of the Secretary

7, 1965
The Soviet Union recently announced that over the next five years it will invest \$78 billion in farmers and farming.

This program -- representing the first major change from Khrushchev policies adopted by the new Russian leadership -- calls for more machines, more fertilizers, higher farm prices, lower rural taxes, and reduced prices for consumer goods purchased by farmers.

Just about the same time the USSR was publicizing its increased emphasis on agricultural productivity and rural welfare, thousands of British farmers marched on Parliament to demand a better deal for agriculture. The unrest among farmers in England was also demonstrated by the blocking of highways with tractors, and by threats to turn pigs loose in London's Piccadilly Circus.

Not too long ago Newsweek magazine wrote this about agriculture:

"These days, in fact, diplomacy is going back to the farm to learn its lessons. John Tuthill, U. S. ambassador to the European Economic Community, observes: 'Feed grains, wheat, tobacco, cotton, and poultry -- to say nothing of such terms as 'transformation coefficients' and 'threshold prices' -- have become more familiar to diplomats than striped pants.' Not all statesmen, however, find matters of the soil simple. At the December 'agricultural marathon' of the Common Market's Council of Ministers, West Germany's Gerhard Schroeder asked for a list of pending farm problems 'drawn up in straight-forward terms so that a simple Foreign Minister can understand what they're all about.'"

Remarks prepared for delivery by Secretary of Agriculture Orville L. Freeman at the spring conference of the National Federation of Grain Cooperatives, Mayflower Hotel, Washington, D.C., Wednesday, April 7, 1965, 9:30 a.m., EST.

"The problems of modern international agriculture are indeed crushingly complex. But whether political leaders and journalists like it or not, it is no longer possible to comprehend international affairs without some comprehension of farm problems. Unable to find solutions to their agricultural difficulties on the local or national level, politicians have projected them onto the world stage in the hope of finding answers there.

"Of course, agriculture has always been politics. But never have farmers played as decisive a role in shaping their countries' external attitudes as they do now. And because of the imbalance in global food production and consumption, international relations more and more turn on what those attitudes are. France's Agriculture Minister, Edgard Pisani, may be only slightly overstating the case when he insists: "The world must convince itself that its destiny depends on agriculture." "

Yet the two events are indicative of the attention being given agriculture all around the world.

Farmers everywhere want to produce in abundance -- and they want to produce this abundance at a profit whether they are Communists, Socialists or free-enterprise farmers in the American tradition.

Consumers everywhere want to eat regularly, and to eat well at minimum cost.

Reconciling the objectives of food and fiber producers, and consumers, is one of the great tasks of almost every government.

(more)

USDA 1092-65

The United States is no exception.

In the four years since 1961, when the new Administration came to office, a great debate on agricultural policy has gone forward in this country. One side has held the view that Government should remove itself from agriculture, and it has stressed that farm commodity programs should be phased out. The other has said that the productive revolution in agriculture is a matter of public concern, and it has stressed that farm commodity programs are the most effective means of containing this revolution of abundance.

I believe this debate should have been last fall, for those who proposed to abolish farm commodity programs were resoundingly defeated. The evidence on which we base the need for commodity programs was, and is, overwhelming.

President Johnson, in his message on agriculture and in his letter this week transmitting the Administration's farm proposals, summarized it succinctly. He said:

"For more than three decades, and particularly since the end of World War II, the United States has experienced a staggering revolution in the techniques of farming. Science and technology, applied to agronomy and animal husbandry, have brought the American people a greater abundance of food and fiber than the citizens of any nation in history have ever known. Prior to the Second World War, farming productivity was increasing at only half the rate of industrial growth; but since 1945, it has increased at twice the speed of industrial growth.

(more)

USDA 1992-65

"For three decades we have had programs which, by one means or another, have sought to achieve a balance between supply and demand. Born in the emergency of the 1930's, they have countered the income-depressing potential of the revolution in agricultural production.

"Our farm programs must always be adapted to the requirements of the future. Today, they should be focused more precisely on the opportunity for parity of income for America's family farmers and lower government costs. But we must recognize that farm programs will be necessary as long as the advance in agricultural technology continues to outpace the growth of population at home and markets abroad."

And then the President made what I consider to be one of the most significant comments of this decade, for it provides the perspective which farm policy has lacked until now. He said:

"Just as we do in other segments of our economy, we need to separate the social problems of rural America from the economic problems of commercial agriculture. We need to be concerned about both, but the answers to each may be different."

I would like to concentrate my attention here today on the commodity programs, specifically those which the Administration recommended to the Congress earlier this week. Please don't conclude that in doing so I downgrade the substantial efforts now underway toward accomplishing a rural renaissance by fostering and accelerating the growth of the rural economy. I can assure you that this most definitely is not the case.

(more)

USDA 1092-65

However, I do on this occasion want to emphasize one point -- that commodity programs can and must stand on their own feet as essential economic instruments vital to our farm economy and our national well being. They are not relief programs and should not be regarded as such.

The administration's new legislative proposals are designed to strengthen commercial family farm agriculture by providing added flexibility and dimension to farm commodity programs. They place stronger emphasis in four areas where we seek to:

- * Encourage greater use of the marketplace to bring a fair return to farmers in domestic and export sales. We would rely less on tax dollars, and we would seek to move away from use of export subsidies;

- * Assist small farmers -- whose age, lack of education or physical condition prevents them from shifting to other jobs -- through special provisions which will enable them to earn a better income with their present resources;

- * Enable small farmers with the capacity and desire for growth to acquire the resources they need for an adequate size family farm operation, and insure that those who seek to earn a decent living in other than farming or who wish to retire will receive fair and just compensation for their assets;

- * Provide the instrument for long-range adjustments in agricultural resources, recognizing that the need for balancing the supply of farm commodities with the demand will be of long duration.

(more)

USDA 1092-65

It is appropriate that Titles I and II of the Administration Bill relate to wheat and feed grains. They are the crops which are most widely produced in the United States. They covered half our harvested cropland last year.

The wheat and feed grain programs are of great importance to the National Federation of Grain Cooperatives. Basically, the proposals have the same objectives as the current wheat and feed grain programs:

- Improved opportunity for producers to achieve parity of income;
- Abundance, at fair prices, for consumers;
- Maximum use of the market system; and
- Expanded opportunity for agricultural exports.

The proposed wheat and feedgrains legislation makes no radical changes from existing programs. They essentially are extensions of existing programs. These programs, operated by farmers and government, have been effective.

Realized net farm income, for each of the past four years, has averaged \$900 million higher than in 1960. Realized net income per farm last year was \$3,642 or \$681 above the level in 1960. In this period, record high levels of grain stocks have been reduced to manageable levels; wheat stocks have dropped from 1.4 billion bushels to below 900 million bushels, and feedgrain carryover will have decreased from 85 million tons to about 56 million tons by the end of the current marketing year. This means a total reduction in wheat and feedgrain stocks of over 1.5 billion bushels. If the Commodity Credit Corporation held this quantity in their inventories for a full year, carrying charges (storage, handling, transportation, and interest) would be about \$650 million.

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Without these programs, it is estimated that the nation's farmers since 1961 would have added 3.4 billion bushels of wheat and feedgrains to carryover stocks.

However, progress made to date is still far from satisfactory. That is why the proposed legislation directs itself strongly to the need to improve farmer income. In the absence of a fair return in agriculture, we will not, in the long run, get the people and the resources we must have in farming if we are to assure this nation that the abundance we enjoy today will be here tomorrow.

Along with the sound farm programs, however, there must also be sound management. Production policy goes hand in hand with the management policies of the grain stocks held by the government in public trust. Both will have a decisive influence on farm prices and farm income, as the record of the past four years when grain surpluses were significantly reduced clearly shows.

There are some legitimate differences of opinion here, and I want to take this occasion to review with this wise and knowledgeable group some of the alternative courses of action which have been the subject of both public and private discussion in the past four years.

These government stocks are owned by all the people -- consumers as well as producers. Good policy demands consideration of both groups, as well as the grain trade and farm-related business and industrial enterprises. These stocks must be reduced to needed reserve levels while at the same time farm prices are strengthened and maximum use is made of the free market including farmer-owned and privately-owned marketing facilities. The market can set values and quality differentials far better than the government. We must rely on the trade to handle our commodities, for CCC has practically no facilities and wants to reduce even the few it has. But there is another overriding responsibility in connection with the grain programs -- to keep them operating effectively so there will be a fair price to the producer and at minimum cost to the taxpayer. And this we cannot do if we are required to hold our stocks off the market for prices so far above loan levels that we can't get farmers into the voluntary program.

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Actually, a careful review of the facts will show, I believe, that our grain programs have been well administered to provide higher farm prices and at the same time to make the maximum use of the marketplace in the management of stocks. We have enjoyed an unparalleled period of stability in which gradually rising prices have benefited the entire economy.

The major credit for the good job belongs to the Under Secretary of Agriculture, Charles S. Murphy, who has brought a keen mind and a dedication to service to the trying task of President of the Commodity Credit Corporation.

I am deeply grateful, and this nation can be grateful, for his dedication to the highest standards of performance in public office.

Here's what Commodity Credit Corporation operations have helped accomplish over the past four years:

Wheat stocks have been reduced by 500 million bushels. Each year since 1960, average farm wheat prices have been above loan levels -- in 1961 and 1962 by 4 cents, in 1963 by 3 cents, this year by an expected 8 cents per bushel (see attached chart). In the preceding 10 years, 1951-1960, farm prices were below loan levels in every year -- by as little as 3 cents and as much as 17 cents per bushel. This shift to strong market prices relative to loan levels is the result of a restrained and careful sales policy (see chart).

Last year we faced an unusual situation which will not repeat itself.

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The Commodity Credit Corporation sold nearly 50 million bushels of wheat for unrestricted use from July to October to meet commitments made to the milling industry and to comply with the directive of Congress so that the transition to the new wheat certificate program could be fairly accomplished. Since mid-October CCC sales of wheat for unrestricted use have been only 5 million bushels, and we are not selling at all now.

This special situation will not occur again, and we expect that in future years, Commodity Credit Corporation sales of wheat will be relatively small. Let me emphasize that minimum turnover of Commodity Credit Corporation stocks is one of our objectives.

Turning to feed grains, total stocks are down some 30 million tons in four years, after a decade of steady increases during which 65 million tons of grain were added to stocks.

Average farm prices for corn (including loans) have been 8 to 14 cents per bushel above the 1960 level in each of these past four years (see chart 2). Prices have been slightly above loan levels these past two years, after the program was changed in 1963 to encourage stronger market prices. By contrast, average farm prices for corn were below support levels nearly every year in the 1950's.

To interpret the feed grain situation, we must remember that in 1961 and 1962, heavy sales of feed grains by Commodity Credit Corporation were an integral part of the program (see chart). Congress intended and Congress directed Commodity Credit Corporation to sell corn to keep prices below supports -- to get the compliance necessary to make the program effective.

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As a result, Commodity Credit Corporation sold 975 million bushels of corn in 1961-62 and acquired 637 million bushels. In 1962-63, we sold 736 million bushels and acquired 480 million bushels (chart 2). Here again the conditions which brought about this heavy participation in the market no longer exist.

Beginning with the 1963 program, price support payments replaced the "sellback" of feed grains. Corn sales last year were only 170 million bushels and acquisitions were 75 million bushels. This year sales are expected to be in the range of 300-350 million bushels, and acquisitions will be around 50 million bushels. Commodity Credit Corporation acquisitions of corn will, in fact, amount to only 2 percent of the crop this year.

Thus the objectives of strong and stable prices and maximum use of normal channels of trade are being realized under present procedures. With the programs extended and with surpluses reduced, we can, in the future, make even greater use of the strong and vigorous marketplace provided by cooperatives and the grain trade generally. But we must not yield to the temptation to make prices so high the programs become unworkable. The Feed Grain program has worked excellently. It has been well worth the cost. But the cost has been high, and if it goes higher, the program will be gravely threatened.

Further, we must keep in mind that for a number of reasons, including substitution, the price relationship between wheat and feed grains must be based on the feed ratio between them if our programs are to work as intended.

It has been recommended by some that the problems I have just described, which would result from sharply raising, by law, the sales prices for CCC grain, could be met by lowering the loan rate on wheat to about a dollar and on corn to about 90 cents a bushel.

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I have given this careful consideration. The loan rate has a decisive influence on farm prices and farm income -- particularly to small farmers. Farmers are still significantly below parity of income today, and this being the case, I do not believe it would be in the national interest to raise resale prices by law and lower the loan rate.

Let me emphasize that I have come to this conclusion only after much serious thought, and only after weighing the alternatives and their effect on all segments of the farming industry. Our policies in this regard are, of course, always open to review, and I sincerely welcome and seek earnestly to profit from your public spirited counsel.

The welfare of the family farmer is of vital concern to me, as I know it is to you who manage the cooperatives which are owned by family farmers throughout rural America. The problems we face are complex and often frustrating. But we can be thankful that our challenge is to use abundance rather than to fight scarcity.

Working together, I am confident we can make better use of our food abundance -- and in so doing serve the interests of not only the family farmer but also this nation and free men everywhere.

- - - - -

CORN

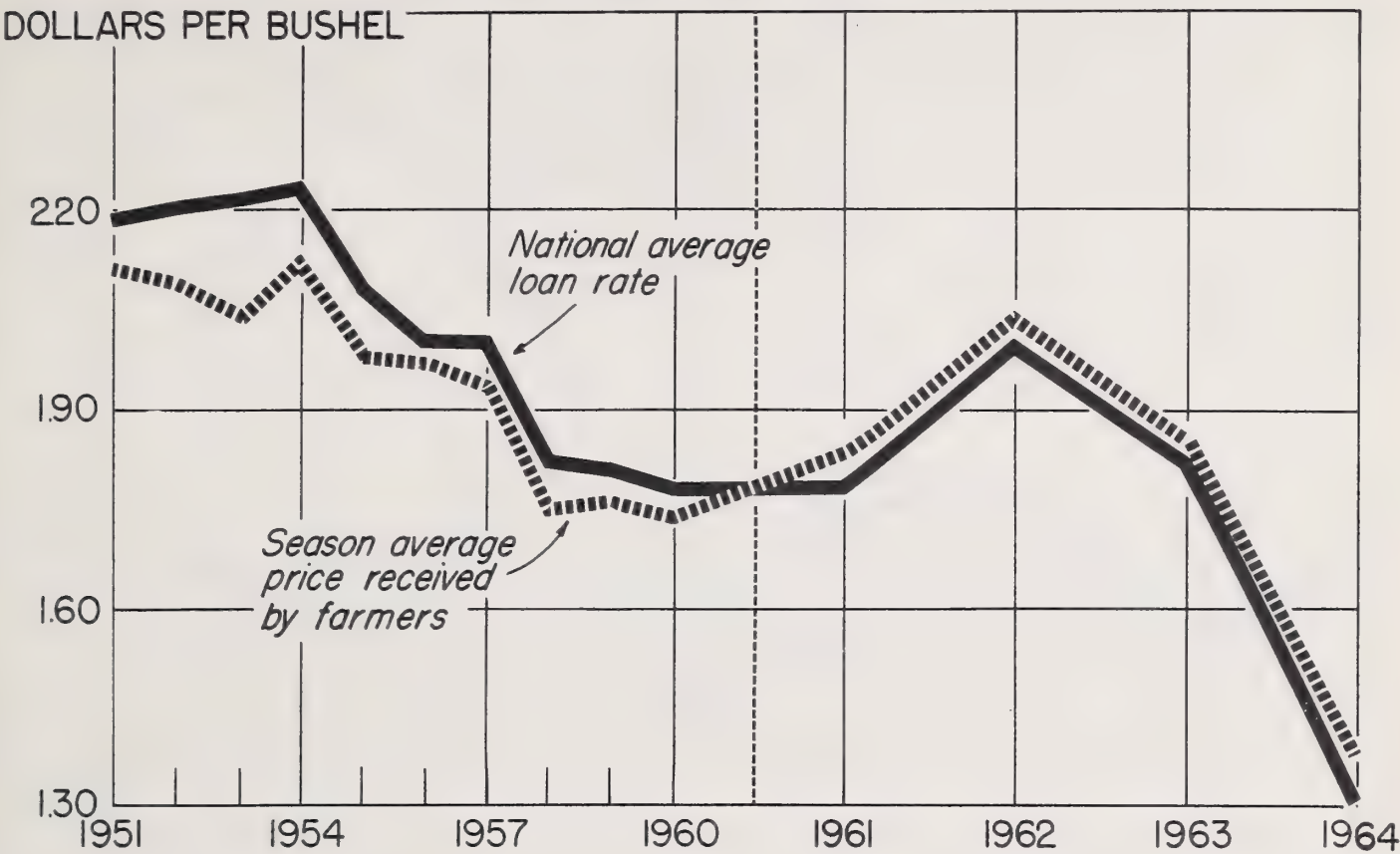
	<u>CCC Sales</u>	<u>CCC Acquisitions</u>
	(million bushels)	
1960-61	311	480
1961-62	975	637
1962-63	736	480
1963-64	170	75
1964-65 (estimated)	(325)	(50)

WHEAT

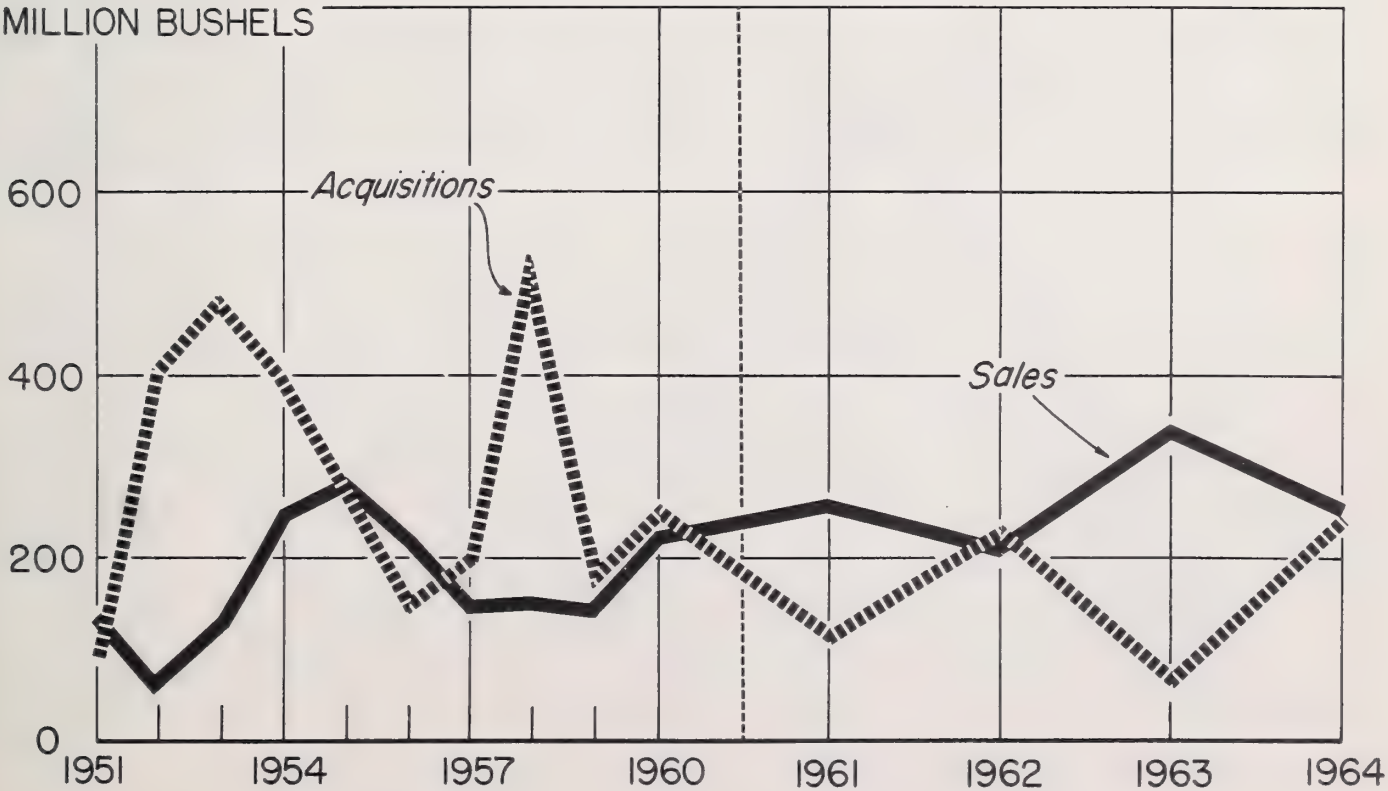
	<u>CCC Sales</u>	<u>CCC Acquisitions</u>
1960-61	226	250
1961-62	255	113
1962-63	208	223
1963-64	342	67
1964-65 (estimated)	(250)	(240)

WHEAT: GOVERNMENT PRICE SUPPORT OPERATIONS

Farm Price and Loan Rate

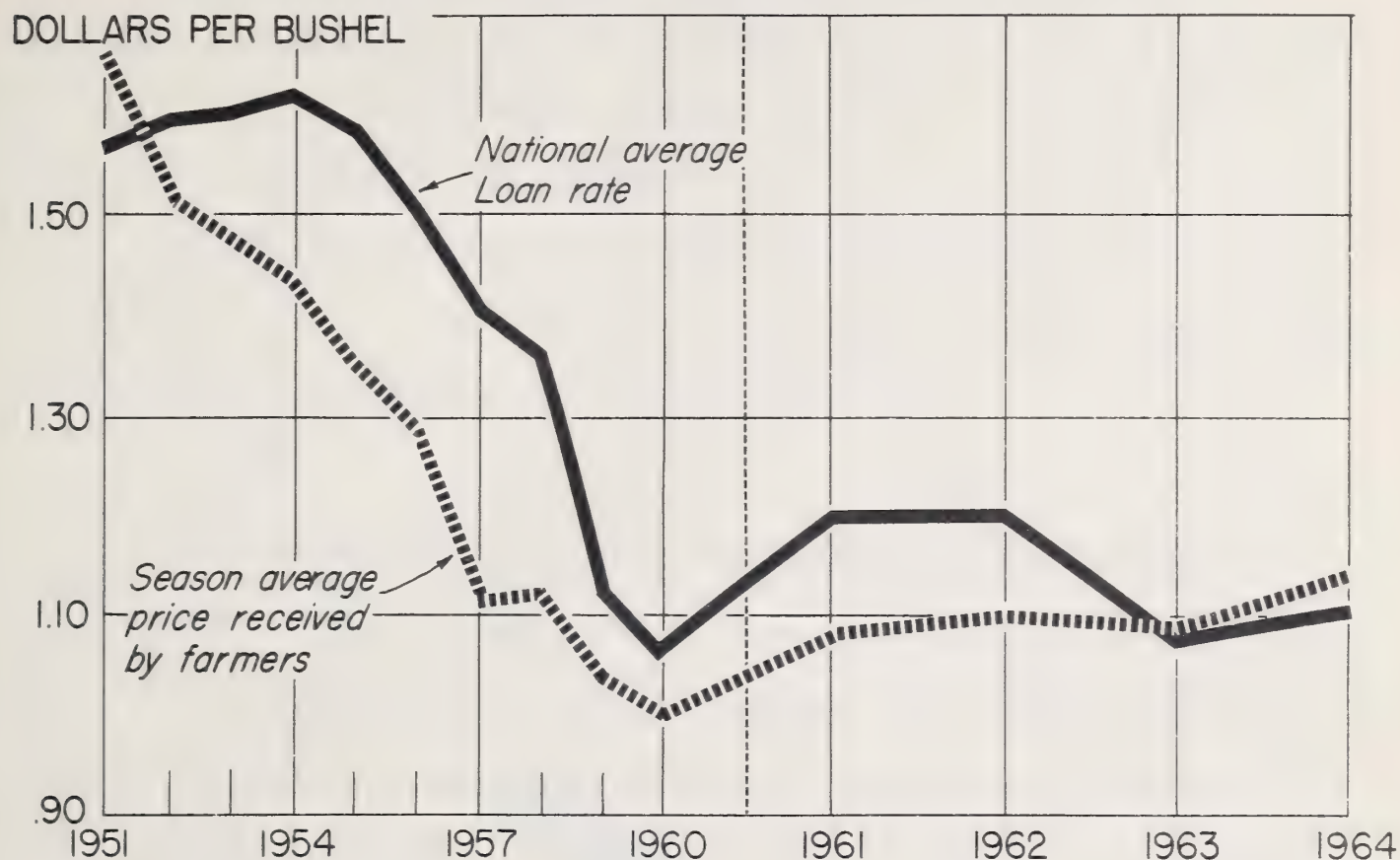


CCC Sales and Acquisitions

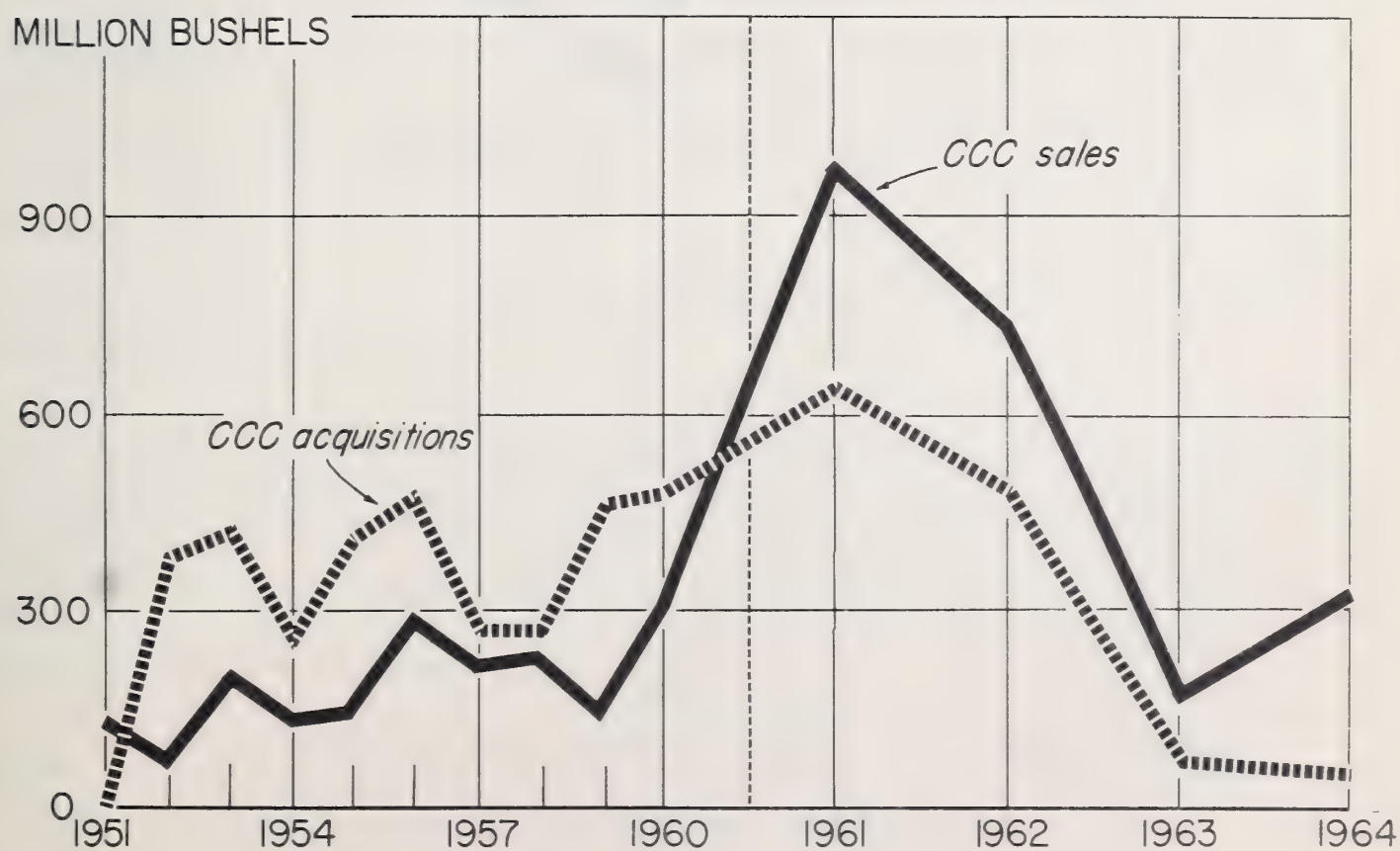


CORN: GOVERNMENT PRICE SUPPORT OPERATIONS

Farm Price and Loan Rate



CCC Sales and Acquisitions



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4/8, 1965
Statement of the Honorable Orville L. Freeman,
Secretary of Agriculture
before the
Subcommittee of the Senate Appropriations Committee
April 8, 1965

Mr. Chairman, Members of the Committee:

In his message to the Congress on agriculture and rural affairs, President Johnson focussed attention on the fact that agricultural policy must deal with two separate and distinct conditions.

He said:

* "Agricultural progress has made price and income support programs increasingly necessary and increasingly difficult.

* "...the rural community which has sustained the growth of agriculture shall have the chance to broaden its economic base and the range of opportunities which it can offer the children of its families."

And the President summarized this concept with these words:

"We need to separate the social problems of rural America from the economic problems of commercial agriculture. We need to be concerned about both, but the answers to each may be different."

This is an important distinction, and one which until now has never been fully understood either by those who live in the cities or those who live on the farm.

The confusion over this distinction has in the past often led to misunderstandings as to the purposes which commodity programs serve and of the contributions which a fabulously productive agriculture makes to the well-being of every person.

In my testimony here today I would like to address myself briefly to these two separate and distinct conditions:

* The problems of low rural income which many people consider the so-called farm problem -- but which have to do with a good deal more than farming.

* Programs for commercial agriculture, farm commodity programs, which are instruments of economic policy affecting every person, including the farmer.

There is today in rural America -- where only one family in four live on farms -- an "opportunity gap" which clearly shows that those who live there and the children who are growing up there already have one strike against them.

A family living in rural America is twice as likely to be living in poverty as a family in urban America.

A rural family is twice as likely to be living in substandard, slum housing.

Almost every city family is assured of an ample supply of pure water. But in many rural areas, no family can be sure of drinking uncontaminated water. Some 15,000 rural communities over 100 population have no water systems. A fourth of all farm homes, and a fifth of rural non-farm homes, have no running water.

Rural children have, on the average, less chance for a first-class education. Rural teachers are paid less; rural schools are less well-equipped. Such extra advantages as kindergartens, for example,

which are taken for granted in our better city and suburban school systems, are almost unheard of in the countryside. The best, up-to-date vocational training for space-age occupations is concentrated in the cities. For higher education, far more urban than rural young people have college facilities within commuting distance. For all these reasons, the average educational attainment in rural areas is about two years less than in the cities.

Job opportunities are concentrated in urban areas. There are many surveys which show that job opportunities are insufficient in rural areas, and that adult job training programs are either non-existent or, where they do exist, are inadequate.

Rural children receive one-third less medical attention than urban children. Rural people have less access to credit for housing, for business expansion, for public utilities.

I could go on. But the picture is clear. It is the picture of a segment of the American people who are disadvantaged in almost every way because of their place of residence -- the "geographical disadvantages."

Directing our attention to commercial agriculture -- to farming itself, the problem can be stated very briefly, and succinctly. There are today, out of more than 3 million farmers, only 400,000 who earn even close to parity of income -- the equivalent of a wage earned by a skilled industrial worker (\$2.46 an hour), and as much as a five percent return on investment. Most do not even earn the minimum national wage of \$1.25 an hour.

In both areas -- the rural community and commercial agriculture -- we have begun to make some progress toward "parity of opportunity" for the rural American and "parity of income" for the family farm with adequate resources. The work of this committee has contributed substantially to this progress.

In the past four years, a whole new series of Federal programs -- ranging from housing legislation to the Area Redevelopment Act to the Food and Agriculture Act of 1962 to the Economic Opportunity Act, the Appalachian Act and the War on Poverty have made new resources available to the rural community.

The results of these programs carried forward through local rural areas programs are both impressive and heartening. Local leadership has responded to the challenge -- there are rural community development groups involving over 100,000 rural leaders in more than 2,100 counties today. These groups have helped to create some 412,000 new jobs in rural America, including more than 40,000 jobs provided by 316 ARA-financed projects.

Over 558 rural communities have built or expanded water systems with USDA loans of nearly \$73 million since 1961, while 92 projects costing nearly \$59 million have been financed in rural communities with ARA assistance. Over 45,000 rural homes have been built or improved in rural areas through housing loans totaling nearly a half billion dollars in the past four years. More than 26,000 landowners during this period have established one or more income-producing recreation enterprises

through USDA programs. About 10 percent of these now are a primary source of income. In addition, some 422 recreation projects have been financed by USDA loans, including 104 nonprofit community projects.

The President, deeply conscious of the full range of needs of rural America, has acted to insure that rural America has equal access to all Federal services. In his message to the Congress on February 4, he directed the USDA to establish a Rural Community Development Service to provide "outreach" so that every program of the Federal Government will, in fact as well as theory, be available to the rural community that seeks such cooperation. The same month I established this RCDS agency, and its new administrator, Robert G. Lewis, is moving swiftly to carry out the President's directive.

Thus, there is underway an ever enlarging effort to achieve President Johnson's goal of parity of opportunity for rural America. Four years ago, there were many people who said that rural America had little or no potential for growth. The instruments which the Congress has forged to give rural America a fighting chance has proved this belief wrong.

The measure of progress in commercial agriculture is that realized net farm income, for each of the past four years, has averaged \$900 million higher than in 1960. Realized net income per farm last year was \$3,642 or \$681 above the level in 1960. In this period, record high levels of grain stocks have been reduced to manageable levels; wheat stocks have dropped

from 1.4 billion bushels to below 900 million bushels, and feed grain carryover will have decreased from 85 million tons to about 56 million tons by the end of the current marketing year. This means a total reduction in wheat and feed grain stocks of over 1.5 billion bushels. If the Commodity Credit Corporation held this quantity in their inventories for a full year, carrying charges (storage, handling, transportation, and interest) would be about \$650 million.

However, progress made to date is still far from satisfactory. That is why the proposed legislation sent to the Congress by the President this week directs itself strongly to the need to improve farmer income. In the absence of a fair return in agriculture, we will not, in the long run, get the people and the resources we must have in farming if the abundance we enjoy today is to be assured tomorrow.

A strong agriculture is so vital to our future as an abundance economy...to our future as a world leader...to our future as an open society and a bellwether of free nations...that we must not and dare not neglect our commercial agriculture. In the U. S. we have a free-hold family-farm system that not only rejected Old World feudalism and succeeded -- it has gone on to outrun and outproduce and outshine in every way the 20th Century agricultural feudalism created in the name of communism.

The success of agriculture in America is no accident. It is the product of a great deal of pioneering. It is the result of enterprise and hard work on the part of American families who took risks and invested their capital and their life's work.

Our farming system is also the product of public policy. The Nation fostered family farm agriculture through land grants, the Homestead Act, the Land Grant Colleges and Universities, the founding of the U. S. Department of Agriculture, and a host of farm programs based on the family farming concept. This subcommittee and the Senate Appropriations Committee have over the years acted wisely and with foresight to fund far-reaching agriculture programs.

While the success of agriculture in America is no accident, neither is it inevitable. We are living in times of fantastic and accelerating change. In few places is this change more evident than in agriculture. If change in agriculture is to be CONstructive and not DEstructive of the institutions that have brought success -- then the whole process deserves our most careful attention.

Food is survival -- and we should never become so well-fed that we forget that. A productive agriculture is basic to industrial society -- and we should never become so industrialized that we forget that. A strong agriculture is necessary to economic growth -- and we should never grow so big that we forget that.

The other essentials of modern America -- in medicine and science -- in industry and job opportunity -- are not left to chance. It is important that agriculture -- the most basic of all -- not be left to chance.

Our productive commercial agriculture has made life fuller and more promising for every American. And it is a sad and unfair thing that so many consumers -- who are all of us of course -- think of farmers

first as the recipients of a subsidy. The fact is that -- in a very real sense -- the farmer has been subsidizing the consumer.

I am often asked when I make that statement, what do I mean?

Let me make some comparisons. Since 1950 the cost of medical care has gone up 63 percent. Consumers are paying 52 percent more for professional services and 38 percent more for transportation than they did in 1950. Yet farm prices are 15 percent lower now than 15 years ago.

That's what I mean when I say that farmers are subsidizing consumers. If farm prices had gone up as much as most of the other things that consumers buy -- then we would perhaps be eating less nourishing and attractive foods, and certainly we would be shifting into food some of our income that is now being spent for other products and services, and which is now creating jobs in business and industry.

Besides providing paying consumers with plenty of food in an unending variety -- with assured quality and wholesomeness -- our farms also produce food for people who cannot afford adequate diets. These consumers, through the school lunch and school milk and food stamp and direct distribution programs, receive \$750 million worth of food each year.

And, of course, the production miracle of American agriculture has an important role in our foreign policy and in our foreign trade balance. Not to mention Food for Peace -- which is extremely important -- we have been achieving hard sales abroad at the rate of \$4.5 billion a year. What this growth has meant to our foreign trade balance is a largely untold story -- and a vital one.

What I am saying, basically, is that consumers have a stake in sound and workable farm programs.

The commodity programs, besides contributing to agriculture's productive success, also have a definite and direct effect on the rest of the economy. The fact that the number of farms has declined should not blind us to the fact that agriculture is a great industry -- that it is an increasingly mechanized industry -- and that it is a market for large amounts of production goods.

The ability of farmers to buy machinery and other supplies is directly related to the level and stability of farm prices. The inputs that go into farm production are, increasingly, purchased inputs -- which means that farmers are much more dependent on the market than they were a few years ago.

Farmers spend more than \$29 billion a year on production goods and services. They buy more petroleum than any other industry. They buy products containing enough rubber to put tires on nearly 6 million automobiles. They purchase 5 million tons of steel a year -- a third as much as the automotive industry.

Farming employs 6.1 million workers, and three out of every ten jobs in other employment are related to agriculture. About 10 million Americans have jobs storing, transporting, processing, and merchandising

the products of agriculture. Manufacturers of food and related products alone employ nearly 2 million workers and have an annual payroll of around \$9 billion. All with a stake in a strong agriculture. All with a stake in sound farm programs.

Farmers spend an additional \$12 billion a year on family living--- for food and clothing, automobiles, and the other goods and services that urban families use. This is not an insignificant figure.

In recent months, it has been written and said repeatedly that American agriculture no longer needs commodity programs. This argument is both faulty and irresponsible, but it has an appearance of respectability.

Those who want to end commodity programs point out that today many farmers with adequate resources -- land, capital and equipment -- enjoy a good income, and therefore do not need the income support of farm programs. Yet, at most this can be said of only 400,000 farmers out of a total of 3,500,000. The truth is that despite the progress we have made the last few years, the current level of farm income on a per capita basis, is only 63 per cent of the national average. This is a national disgrace.

Further, if commodity programs were discontinued, the decline in farm income would be so drastic as to pull even the most efficient farmer to below poverty income levels if he didn't have income outside of farming.

A recent study, released in February by the Senate Committee on Agriculture and Forestry, entitled "Farm Programs and Dynamic Forces in Agriculture", concludes that if we had not had farm programs in the years 1960-65, net farm income would have averaged only about \$6 billion -- compared with \$12.6 billion that we actually experienced. This drop would reflect an average decline in farm prices of around 20 percent and a continuation of high costs.

With an income decline of this magnitude, there is no question that agriculture would go through the wringer. Many thousands of very good farmers would go out of business. In fact, adequate family size farms would go under more rapidly than the small marginal operators, because they are more dependent on the market and more dependent on purchased equipment and supplies.

The same report summarized a study of cash grain and cotton farms having sales of over \$40,000. In the past three years, with programs in effect, net cash receipts averaged more than \$10,000. I quote: "Had price supports been discontinued, and prices fallen to world levels, analysts' estimates indicate production expenses would have exceeded cash receipts by more than \$10,000 per farm." In other words, these farms would have been wiped out.

Thus it is plain that efficiency is not enough to keep a farmer in business under today's circumstances. Commercial agriculture will continue to need commodity programs, and the sensible policy is not to do away with them, but to improve them so agriculture will provide parity of income for increasing numbers of farm families at less cost to the taxpayer.

Commodity programs are the instruments by which the American people seek to bring a reasonable balance between the supply of food and fiber and the demands that exist for farm products. We use them as a means of cushioning the hard shocks of great adjustments taking place in the nation's economy. In this respect they are no different than labor's legal right to organize and bargain collectively and to receive compensation when unemployed, or the business community's ability to incorporate and to receive government aid and assistance when that is in the public interest.

The expenditures for price supports are simply the working mechanism -- without these expenditures or some reasonable substitute, commercial agriculture would destroy itself much as an atomic pile will run away when the control rods are removed.

Commodity programs are a meaningful response to the conditions of change which modern technology has brought. For the gain they bring to consumers and to the economy generally as well as the gains they

provide directly to farmers and their families, to rural communities, and to the industries which rest on a highly productive agriculture, they are a sound investment.

This committee has long held this view, for its members have demonstrated an unswerving devotion to a strong, productive and rewarding family farm agriculture system. The success which agriculture has achieved is due in no small part to your efforts -- and the progress which agriculture will make in the days ahead will be shaped by the wise and skillful leadership which you provide.

I fully support the budget which the President has sent to the Congress for the Department of Agriculture for the Fiscal Year 1966. The programs which will be carried out under this budget will contribute immeasurably to maintaining and improving the position of U.S. agriculture.

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U. S. Department of Agriculture
Office of the Secretary

13, 1965 Recently, the leaders of the Soviet Union announced their willingness to spend \$75 billion in order to have the kind of problems in agriculture that we have in the United States.

And what are those "problems"?

* American families, on the average, spend less than 19 percent of their takehome pay for food. We spend more for housing and home furnishing than we do for food, while food costs in many countries still take over half or more of what people earn. If the American farmer was no more efficient than before World War II, the American consumer would be paying about 17 billion dollars more for farm products each year.

* Less than 8 percent of the American people produce the food and fiber for all the rest. Other Americans released from agriculture are thus able to produce the infinite variety of goods and services which provide us with the highest standard of living any people have ever known. In many countries, farming is still the means of existence -- or subsistence -- for most people.

* The United States exports each year over \$6 billion worth of farm products, including over \$1.5 billion worth which we share with other countries to fight hunger and starvation. Agriculture last year contributed about \$2.3 billion to the dollar earning of the U. S. abroad.

* Each year, for the past four years the abundance of food produced by the farmer has been shared with over 6 million Americans who otherwise would have had less than an adequate diet.

Remarks prepared for delivery by Secretary of Agriculture Orville L. Freeman before a conference of farm organizations sponsored by the Missouri Farmers Association, 10 a.m. Tuesday, April 13, 1965, at the President Hotel, Kansas City, Mo.

* American agriculture is the base on which rests the jobs and profits for nearly 12 million Americans and hundreds of thousands of businesses. The farmer and his family spend about \$40 million a year for goods and services, and the products of the farm make possible an \$80 billion a year food industry.

On the basis of these facts, it is clear that American agriculture, far from being a problem, is the greatest success story of our times. And this is why the Russians are willing to spend billions, for they want the same benefits that we enjoy from an abundant agriculture.

Whether they will achieve success is another question. It can be said without reservation that our success is no accident -- nor is it alone the product of a substantial investment of money. Our agriculture is a free-hold family farm system that not only rejected Old World feudalism....but also has outproduced and outshone the 20th Century agricultural feudalism created in the name of communism.

Our success in agriculture is the result of enterprise and hard work on the part of American families who took risks and invested their capital and their life's work.

Public policy also has played a key role. The Nation fostered family farm agriculture through land grants, the Homestead Act, the Land Grant Colleges and Universities, the founding of the USDA and a host of programs which foster family farm agriculture.

The action of the Russian leaders, while it flatters our ego, accentuates the vital importance of agriculture in a way that all people -- farmers and non-farmers alike -- can understand.

(more)

Food is survival -- and we should never become so well-fed that we forget it. A productive agriculture is basic to industrial society -- and we should never become so industrialized that we forget it. A strong agriculture is necessary to economic growth -- and we should never grow so big that we forget that.

But while our success is no accident, neither is it inevitable. And that is what I want to discuss there today.

The greatest threat to the continued abundance provided by family farm agriculture can be said in very few words. Fewer than 400,000 farmers today out of more than 3 million receive near parity of income -- the equivalent of the wages of skilled labor (\$2.46 an hour) and a 5 percent return on investment. Most do not even earn the minimum wage of \$1.25 an hour.

In the absence of a fair return in agriculture, we will not, in the long run, get the people and the resources we must have in farming if the abundance we enjoy today is to be assured for tomorrow.

I believe the American people understand this fact, and will support constructive action designed to keep a productive commercial family farm agriculture -- and that means effective commodity programs.

In recent months, I have been encouraged by the evidence of better understanding which the American people have shown toward agriculture and the farmer. I believe the message of the real bargain we enjoy in food is getting through, and I find that the burden of the label of surplus and subsidy that Ezra Taft Benson left behind him is being lifted from the farmer as understanding grows, and as practical steps are taken to reduce our surpluses.

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I believe the American consumer, if approached with fair and sensible reasons, will agree that the farmer is entitled to a fair return in the market place just like labor and business and the professions.

Lauren Soth, the distinguished editorial director of the Des Moines newspapers, made the same point recently in another way. He said the objection to measures which provide a way to maintain farm income have come "from certain farm organizations and agriculture related industries which have a stake in large volume farm production, and from theorists who see such regulations as beyond the pale of prescribed doctrine of free enterprise. There has been talk of farm price support legislation being a 'bread tax' on consumers. So far as I have been able to find, this protest does not come from consumers." And he based his findings on a review of material published over the last 10 years by labor unions, consumer groups and urban groups which "failed to produce significant examples of protest against farmers because of high food costs."

This conclusion underscores a belief expressed by many people sympathetic to the need of family farm agriculture. It is that if we fail to provide the kind of public policy which will insure a fair return in agriculture, the general public will not be at fault as much as the community of agricultural leaders.

Let me explain.

There are a great many people willing to support the efforts of commercial family farm agriculture to obtain a fair income in return for the abundance the nation enjoys. This support comes not so much from an emotional attachment to the family farm system as from a growing understanding of the vital importance of agriculture and the family farm system to the national welfare.

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During the Presidential election last year, for example, it was clearly understood that one of the specific issues was whether or not farm commodity programs would continue to be an instrument of national economic policy to maintain farm income during this period of enormous adjustment in agriculture. One view held that commodity programs should be phased out as quickly as possible. The other view held that commodity programs were essential if the supply of farm products was to be kept in reasonable balance with the demand so that farm income would not drop from about \$12.5 billion to about \$6 billion.

The elections last November were a decisive mandate for the latter position. A President sympathetic to agriculture was overwhelmingly elected, and a new Congress in which agriculture and rural America have substantially more supporters than the previous one was sent to Washington.

President Johnson, in his message on agriculture and in his letter last week transmitting the Administration's farm proposals, summarized the need for price and income support programs this way. He said:

"For more than three decades, and particularly since the end of World War II, the United States has experienced a staggering revolution in the techniques of farming. Science and technology, applied to agronomy and animal husbandry, have brought the American people a greater abundance of food and fiber than the citizens of any nation in history have ever known. Prior to the Second World War, farming productivity was increasing at only half the rate of industrial growth; but since 1945, it has increased at twice the speed of industrial growth.

"For three decades we have had programs which, by one means or another, have sought to achieve a balance between supply and demand. Born in the emergency of the 1930's, they have countered the income-depressing potential of the revolution in agricultural production.

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"Our farm programs must always be adapted to the requirements of the future. Today, they should be focused more precisely on the opportunity for parity of income for America's family farmers and lower government costs. But we must recognize that farm programs will be necessary as long as the advance in agricultural technology continues to outpace the growth of population at home and markets abroad."

Thus, in 1965, at a time when the American farmer is the beneficiary of improved public understanding....and has the support of a President actively committed to his welfare....and can go to a Congress sympathetic to his needs, it would seem that passing farm legislation would be a breeze.

But such is not the case. Instead, it is likely that not one commodity program would be extended by the Congress if the vote were taken today. This currently bleak picture is the product of disunity in agriculture's own house, of friction which fritters away our strength because it confuses and disillusions our friends.

This disunity in agriculture's house takes many forms.

For some, it reflects a belief in the free market so strong as to almost constitute a theocracy which forbids any kind of Governmental activity even at the expense of destroying the family farm system. But we have overcome these extremists before, and we can do it again.

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Other kinds of disunity are more dangerous.

Competing interests among producers on the same farm commodity threaten agriculture's house as never before. The most recent example of this was an editorial in a mid-west newspaper complaining that Federal programs failed to give preference to the "superior" wheat produced in its area of influence over the "inferior" wheat produced in the Northwest. The reverse sentiment is held by the Northwest. Similarly, the cotton growers of the Southeast cannot agree on policy with the growers in the delta, and neither of these groups want the same thing as high plains growers in Texas or irrigation farmers in California. The same kind of divisions create abrasive relations among tobacco farmers, rice growers and peanut producers -- and are potential sources of division in the case of practically every commodity produced in this country.

Such divisions are understandable, for there are legitimate differences which flow from competition between regions and between varieties as each seeks an improved position. However, vigorous competition should not overshadow the legitimate interests of the farmer and his family -- North, South, East and West -- in a decent income. This is a big and boisterous country with room for a great many differences, but those differences should not be allowed to block national action which is essential to the welfare of every farmer -- particularly this year when important farm commodity programs await Congressional action.

The third area of division is the most difficult -- and dangerous -- of all, for it is the product of the massive and irreversible changes

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now underway throughout agriculture. Many farmers have little to show for their work and sweat at the end of a year. Their income is low. Yet they see a nation becoming more prosperous around them, and their frustration grows as they fail to share in it. When they try to increase their efficiency the cost of new equipment, chemicals and other production items consume much of the increase in income. They seem, like Alice in the book "Through the Looking-Glass," to be running faster and faster just to stay in the same place.

As frustration mounts, disillusion sets in. Many farmers lash out at farm programs that don't seem to go far enough or at farm leaders who don't seem to do enough. Such a reaction is understandable. The fact that it exists calls for action. But it doesn't mean that we should abandon commodity programs. It does mean that farm leaders must develop programs which are at the same time acceptable to the country and responsive to the complex needs of agriculture and all who farm today. Such programs must give more than hope, they must give promise that the opportunity for parity of income for the efficient family farmer will be realized. This will require greater maturity and better leadership than ever before.

The country cannot afford the terrible cost of ending commodity programs, nor can agriculture indulge the luxury of demanding the impossible. The end result of both extremes is the same. Either way the farmer will lose, and the country will lose, for our commodity programs will be lost.

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Everyone here had a part in developing the legislative program which the President sent to Congress last week. It can meet the test of public acceptability if understood. It will meet the test of solid progress toward parity of income if passed by the Congress. It can be passed if everyone in this room gets solidly behind the program and works hard for it during the next several months. Its proposals are geared especially to:

- * Maintain and improve farm income;

- * ~~Make~~ greater use of the marketplace in domestic and export sales, relying less on tax dollars, and moving away from the use of export subsidies;

- * Assist small farmers -- by giving them special consideration in commodity programs wherever possible;

- * Help small farmers with the capacity and desire for growth to acquire the resources they need for an adequate size family farm operation, and at the same time help those who seek to earn a decent living in other than farming or who wish to retire to receive fair and just compensation for their assets;

- * Provide the instrument for long-range adjustments in agricultural resources, recognizing that the need for balancing the supply of farm commodities with the demand will be of long duration.

- * Cut cost of farm programs freeing resources so that the War on Poverty, such as the Food Stamp plan, can be adequately funded.

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The proposed wheat and rice legislation will mean higher incomes for farmers than the current programs. At the same time, the cost of the programs will be lowered. The tax dollars which are saved can go to finance the War on Poverty, including the Food Stamp program which will make an adequate diet available to as many as 4 million needy Americans in the next few years. The increased value of the wheat certificate, if passed on to the consumer, might raise the cost of wheat in a loaf of bread by about seven-tenths of a cent, (and in the case of rice would add two or three cents to the farm cost of a pound of rice). Should this happen the total effect would be to increase the costs of food which an average person consumes in a week by about 3.6 cents.

It can properly be asked: Will this be an imposition on consumers: I think not, and for these reasons: In the past four years, the proportion of income an average American family spends for food has decreased as take-home pay has sharply climbed....both the quantity and quality of surplus food distributed directly to needy families have been greatly improved, and over 6 million persons now receive a better diet....by the end of the summer the Food Stamp program will have enlarged the food purchasing power of a million people in low income families by on the average more than a third....and we have launched a series of programs designed to help millions escape from poverty.

It is both unfair and unsound to deny the farmer an opportunity to get a fair return in the marketplace as do other segments of our economy. It is better to use the dollars we save through this program to provide the food which low income families need than to discriminate against the farmer in order to favor the consumer by 3.6 cents a week. This program enables us to act in the best interest of both the consumer and the farmer.

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The feed grain program, which this year broke all records on participation and acreage placed in conserving uses, will be continued with important adjustments simplifying its administration. As this program continues to bring surplus stocks down by keeping production at reasonable levels, the position of grain growers as well as livestock producers will be strengthened.

Since 1960 income to rice producers has climbed 44 percent from \$240 million to \$345 million and the cost of the rice program has increased 54 percent, climbing from \$117 million to \$180 million. The two-price certificate program recommended for rice will cut costs which are becoming prohibitive in the current program.

Through the use of graduated payments, a system long followed in the successful sugar program, the income for all rice producers would be increased and at the same time additional income for the smaller producer would be possible.

The bill also will extend the wool program, and will enable the small wool producer to earn a better income than he does now.

We are continuing to discuss with producers and other interested groups legislative proposals for cotton and dairy, and we are hopeful that widespread support can be found for proposals in both commodities.

Through the proposed authority to transfer and lease allotments, the part-time farmer who seeks to leave or the farmer who wishes to retire will get a fair return for his allotment while the smaller farmer who needs to expand to an adequate size family farm will be able to acquire the additional capacity he needs to efficiently use modern technology.

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The Cropland Adjustment Program will help the part-time farmer who wants to discontinue operations and the older farmer who wants to retire -- and at the same time will help contain production and reduce the cost of the several commodity programs. Obviously it will be less expensive to keep land out of production on a long-term basis than to make the same adjustment year by year as we do now in the wheat and feed grain programs. Such a program will assist local communities to move cropland permanently into new conservation, recreation and beautification uses, thus enabling land resources to serve multiple purposes.

Both the Cropland Adjustment and the sale and lease of allotment features will be carefully supervised by the county ASCS committees to prevent abuses and any adverse effect on the local economy.

The proposals of the President are not a sliding-back or a no-gains program. These programs will provide higher income for the farmer. They will provide new opportunity for the farmer who wants to acquire the resources necessary for an adequate sized 20th Century family farm, and they will give meaningful assistance to the farmer who wishes to retire or has the chance to earn a better living in another occupation.

And what are the alternatives?

Consider wheat, for example. This week -- two days from now in fact -- I am required by law to proclaim marketing quotas on wheat. If no legislation were then forthcoming to arrest the inexorable march of events required by the old law, we would then have to hold a grower referendum by August 1.

If marketing quotas were not approved, price supports would be at 50 percent of parity or \$1.25 to wheat growers who produced within their allotments.

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In the absence of feed grain legislation, price supports for corn in 1966 would be set between 50 and 90 percent of parity -- at a level which avoids any increase in the stocks of the Commodity Credit Corporation. This means that price support would have to be near the lower limit of the permitted range -- in other words near 50 percent of parity. A price support at 50 percent of parity -- based on recent levels -- would be around 78 cents a bushel.

Are there other realistic alternatives? Ask yourself whether a Congress willing to help the farmer but besieged by competing and conflicting proposals which portray the absence of a broad consensus in agriculture will be able to take constructive action. You know the answer better than I do.

I am here today to urge you as responsible leaders of sectional and competing interests within farm organizations and commodity groups....and the sectional and competing interests within farm organizations and commodity groupsto give the farmer the united leadership he deserves and must have if he is to profit from the improved climate of understanding and support that has developed in recent years.

I speak plainly and even bluntly to you when I say that the extension and strengthening of the commodity programs this year before they lapse is your responsibility. The President is concerned. The Secretary of Agriculture is concerned. We care deeply about the farmer and the nation's well-being. And we have worked hard and consulted broadly to develop a sensible practical program that will increase income, cut Government costs, continue fair prices to the consumer and help to ease the pain of adjustments that are taking place inexorably in agriculture. We have done about all we could do. The Congress waits now to hear from you. If you speak with a common voice that makes sense; I am confident the

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country and the Congress will respond in like manner. If you bicker between yourselves as farm organizations, and if subcommodity groups fight one another, each trying to get more for their group at the expense of the others, then the urban American and those who represent him in the Congress will say "a plague on all your houses."

Together we have fought many battles on many fronts to improve farm programs and to move closer toward parity of income. We have won some battles, and we have lost some. But since 1960 we have made real progress. Net farm income nationally is 1 billion dollars more than in 1960. Net income per farm is \$681 greater than it was in 1960 -- up 23 percent. Grain surpluses have been sharply cut. Public understanding of agriculture's importance and problems is much improved.

At this moment and in this year, in a very real sense, we are at a fork of the road. One fork has a sign that reads "unity and cooperation." It means continued hard work but it promises us progress. The other fork has a sign that reads "I want mine my way." It leads to friction, confusion, frustration and before the year is out, chaos in American agriculture.

The choice is yours: the benefits, or the agony of that choice, belongs to all farmers and the Nation.

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U. S. Department of Agriculture
Office of the Secretary

J 20, 1965

My good friend Vice President Hubert Humphrey commented recently that we are living in such a challenging period that he could think of no time in history when it was more exciting to be alive.

I heartily second the Vice President's observation. It is challenging, it is stimulating, and it is rewarding to be in a position -- as we in this auditorium are -- to help make some of today's great events happen.

In terms of world agriculture, I feel that you and I, working closely together, are literally helping to write some of history's most important pages.

We are all intrigued today by the space age and its spectacular accomplishments. But I am confident that our great advances in agriculture, and our sharing of those advances with other nations, will turn out to be among the really great achievements of this time.

I would emphasize to each of you -- never underestimate the importance of your own work.

The greatest tribute anyone can receive is an unreserved expression of confidence from someone he highly respects. It is reassuring -- and a high compliment to each of you -- that in the agricultural trade and aid programs we are carrying out we have the full support and confidence of the President of the United States.

Remarks by Secretary of Agriculture Orville L. Freeman at annual employee awards ceremony of Foreign Agricultural Service and International Agricultural Development Service, 10 a.m., Tuesday, April 20, 1965, in the Jefferson Memorial Auditorium, USDA.

When President Johnson sent his farm bill to the Congress two weeks ago, the bill was accompanied by a letter in which he set forth five basic agricultural objectives. One of these key objectives lies in your hands to carry out -- and it is this:

"Effective use of our agricultural resources to promote the interest of the United States and world peace through trade and aid."

So let me say that I am particularly honored to be meeting with you at this annual awards ceremony because the work you are doing today will help insure that we will continue -- even more effectively tomorrow than we are doing today -- to use the instruments of agricultural trade and agricultural aid in building a better world. We have learned much and we have accomplished much in trade and aid in these recent years. We have laid a solid foundation on which to build.

American agriculture, through the Government programs we represent and through the private efforts that go hand in hand, is doing far more to sell its products to and share its rich experiences with the people of other countries than any other nation has ever attempted or even dreamed of before.

And this is only a good beginning. We will do even more.

Sometimes I wonder how much the American people know of the foundation their agriculture has built in the international sphere. Perhaps the message is getting through better than we realize. For example, I received in my mail a few days ago some glowing words of praise for our export development work from the American Bankers Association. The Association's Agricultural

Committee, at its annual meeting in March, issued a statement commending "those responsible for the growing export market in farm products, which could reach new records in the next year or two." It singled out for special mention not only agricultural and business people but also state and Federal government workers, including those of you who work in export development programs of the Department of Agriculture.

The commendation ended on this note:

"All Americans should be thankful for the tremendous contribution which our record-shattering agricultural exports have made and are making: (a) to a more favorable balance of trade; (b) to what otherwise would be a more serious imbalance of international payments; and (c) to a slowing down of the drain overseas of our gold and dollars."

As we carry out the trade and aid responsibilities which the President has placed upon us, I see four particular areas to which we must give particular thought and effort.

One is foreign markets for our farm products. We must continue to expand markets that return dollars, help our country's balance of payments, strengthen farm prices and income, and provide important outlets for our abundant production.

Another is world leadership in lowering barriers to international trade. We must gain and maintain access to foreign markets for our own farm products. We insist that the Kennedy Round of trade negotiations now underway retain its basic objective of liberalizing and expanding world trade in all products, agricultural as well as industrial.

Another area is technical assistance and food aid. Here we must share our agricultural skills and supplies with the people of less developed countries. We must help them help themselves, so that increasingly they can be well-fed and self-reliant, can buy and sell actively in world markets, and can function as full partners in the free world.

Finally, I would point to the great challenges of tomorrow, of the year 1975, of the year 2000. We may not know the full shape of these challenges but we do know their general dimensions -- and they are huge. As we cope with our difficult problems today, we must keep our eyes and minds open to the challenges of even greater magnitude that lie ahead.

Let us take a deeper look at each of these areas.

As we work to build our foreign markets, we start with the fact that these markets already are impressively large. The United States today is the world's leading exporter of farm products, including wheat, corn, cotton, tobacco, and soybeans. Our exports of farm products exceed those of Canada, Australia, and Argentina combined.

These exports are very important to our agricultural and business communities. Whereas in the late 1950's they averaged just over \$4 billion a year, we have been able to build them to more than \$6 billion a year. One out of every 4 acres of our cropland produces for export. We have been shipping abroad two-thirds of our wheat crop, almost two-thirds of our rice crop, close to half of our soybean crop, a third of our cotton crop, and about a fourth of our tobacco crop.

Three-fourths of our agricultural exports are in the form of commercial sales for dollars. One-fourth takes place under the Food for Peace program. It is our objective, and it will continue to be our objective, to convert Food for Peace shipments into dollar sales, as fully and as rapidly as possible.

The gain in agricultural exports compares impressively with the gain in industrial exports, even though industry's foreign trade volume is about four times bigger than agriculture's.

The cumulative increase in dollar exports since 1960 totaled \$7.3 billion, excluding foreign aid financing. Of this total, agriculture contributed \$2.7 billion and industry \$4.6 billion. Thus agriculture, while it accounts for only one-fifth of foreign trade volume, has accounted for two-fifths of the dollar increase in export earnings in recent years.

Now let's focus on what agriculture did in the way of helping our balance of payments in one year -- calendar year 1964.

In 1964 cash sales of farm products totaled \$4.6 billion. But that's not all. Exports under Public Law 480 also helped us avoid certain foreign dollar expenditures, and thus contributed to a favorable balance of payments position. Foreign currencies generated under Title I

of 480 paid for part of our embassy expenses and military obligations, and supported market development projects as well. Our barter program also helps to save dollars. We estimate that up to \$350 million in foreign expenditures were avoided in 1964 through features of the P. L. 480 program. When we add these to the \$4.6 billion of dollar export earnings, the total comes to almost \$5 billion. We imported about \$2.3 billion worth of food and fiber. Thus American agriculture contributed about \$2.7 billion net to ease the Nation's balance of payments problem in 1964.

This is an impressive amount. But I predict that it will grow considerably larger with the passing years. We have the products, we have an effective industry-Government sales partnership in operation, we have an expanding demand overseas, we have the determination to build further -- and we will build further.

This brings me to the second area of responsibility -- leadership in lowering barriers to international trade.

Obviously, this area is all-important to American agriculture. The flow of products from our farms to foreign consumers is directly related to the number of obstacles that stand in the way. We have a big successful operation going. It is to our interest that trade barriers be kept to a minimum.

The current success of our own agricultural exports tends to obscure the fact that we face some very real problems of continued access to some of our most substantial markets, particularly in the European Common Market. The Common Market has set up an agricultural import control system that

provides strong preference to its own farmers. It places other farmers, such as ours, in the role of residual suppliers. We have no assurance of access to the EEC for a number of our farm products, especially those where the EEC has the potential of expanding output.

Access problems such as these will be tackled vigorously in the Kennedy Round of GATT negotiations at Geneva. We have had difficult months and we face more of them in trying to work out with the Common Market an acceptable formula for negotiating agricultural trade. The purpose of the Kennedy Round is to expand world trade. Our approach would expand the trade. The Common Market approach to agriculture, up to this time, does not meet the test of trade expansion.

Our support of liberal trade is not self-interest alone. The only way the world's people can ever become well clothed and well fed is to facilitate the flow of products from farmer to consumer, wherever that farmer or consumer may be. If there is ever to be a Great Society of the world, in which people everywhere have the opportunity to make a decent living, then the ready flow of products from one nation to another will surely be one of the pre-conditions.

This brings me to the third area of responsibility in our work ahead -- technical assistance and food aid.

President Johnson has defined our challenge clearly. In his Foreign Aid Message to the Congress in January, he said:

"We are rightly proud of our dynamic and progressive agriculture, with its record of success which contrasts so sharply with the agricultural failures of the Communist countries. We must use our agricultural abundance and our extensive technical skills

ability both to produce and to buy agricultural commodities and, more generally, to support rural development.

"To meet their needs for food, the developing countries will need help.

"We, in the United States, are uniquely equipped to give it."

And we are giving this help.

The Food for Peace program is the principal instrument used in sharing our agricultural abundance. This past year our Food for Peace exports reached a new high of 18 million tons of agricultural commodities shipped to the less developed countries, with an estimated export market value of \$1.7 billion. During the 10 years of the program, such shipments totaled more than \$14 billion in value. This has been a unique, massive, and warmly human program in which the hungry have been fed, economies have been strengthened, and growth has been stimulated.

Our cooperation with the Agency for International Development is the means whereby we do most of our sharing of technical skills. In this program, over 150 Department of Agriculture specialists are working in a variety of specialties in 14 countries. And we not only take our skills abroad but we share them with foreign people who come to the United States to learn -- 3,800 trainees during the past 9 months.

When we look at the agricultural needs of less developed countries, we often find so much is needed that we hardly know where to begin. Agricultural institutions, land tenure laws and practices, improved credit -- the list is a long one.

Often it is hard to realize how much catching up these countries need to do. Each of our States had at least one agricultural experiment station 75 years ago. Yet, in many of the less developed countries there is not one well-organized experiment station in operation.

Until developing countries create meaningful agricultural research, hunger will remain a critical problem. The problem has two aspects. First, there needs to be more applied research -- taking what is known and what is available in developed areas and adapting it to less developed areas. And second, there needs to be more specialized tropical research. Most agricultural research has taken place in temperate zones whereas the developing nations tend to be tropical or semitropical. A great new body of research knowledge is needed to guide the growing of crops and livestock in the warm areas of the world where too often agricultural skills are the least while population pressures are the greatest.

One of the encouraging aspects of this technical cooperation endeavor is the fact that the work of this Department, and of cooperating Land-Grant institutions, is known and respected throughout the world. While we should not try to impose carbon copies of our systems upon other countries, we can stimulate and guide agricultural development. We are doing this in El Salvador, for example, where five of our men are helping strengthen research, extension, marketing, land use management, and credit. We are doing this in India where eight USDA people have been helping to improve food distribution, pricing policies, and storage facilities. This is what we will be doing in Nigeria

where, this summer, we will send seven specialists to help set up a program of agricultural credit and four soil conservationists to help set up soil and water conservation pilot projects.

Why are we doing all these things? Why do we send our food and our technicians and our scientists to the far corners of the earth?

I would say it is our practical, pioneering philosophy, still at work in this mid-Twentieth Century, that motivates us. We know that a helping hand helps make good neighbors. And in this world whose size seems to shrink daily, we ~~must~~ have good neighbors.

The humanitarian side of what we do is obvious. Whether we send a CARE package or a scientist abroad, it is an expression of American friendship, good will, and concern for the well-being of people.

But this humanitarian outlook also contains a sizeable dose of self-interest. Economic development builds markets, and we are vigorously seeking new markets -- even if we build them ourselves.

As we look ahead to 1980 or the year 2000 -- and here I come to the fourth area of challenges facing us -- we will be shortsighted indeed if we fail to see the potential sales opportunities in countries now approaching the take-off stage of economic growth. Whatever we can do to hasten this take-off will speed the day of new markets.

This is not theory, but fact. A study made by the Economic Research Service indicates that when per capita income in developing countries goes up 10 percent, our dollar sales of farm products go up 21 percent.

If the per capita incomes in developing countries were increased by only \$100 a year, we could expect to about double the \$1.5 billion of annual agricultural sales we now make to them.

We are living in a dynamic age. The expansive forces which have resulted in a doubling of American farm exports over the past decade still exist. These forces may have an even greater impact on the level of U.S. farm exports in the years ahead than in the past.

As we continue to increase our exports, these expanded sales will be effective indicators that the world's people are achieving the things they seek -- including economic growth, rising incomes, and better living.

Our goals in world agriculture are difficult but they are attainable. You people of the Foreign Agricultural Service and the International Agricultural Development Service hold many of the keys to attaining them.

I am pleased with what you have done in the past, I am proud of what you are doing in the present, and I look forward to working with you as we meet our challenges -- together -- in the future.

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U.S. Department of Agriculture
Office of the Secretary

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Secretary's Statement at Citation of 19 USDA Employees and Units, April 23, 1965. X

Washington D.C.

We meet here today to honor our fellow employees in USDA who have been singled out to receive Presidential citations for effecting significant cost reductions in the Department's work. We are privileged to have Vice President Humphrey with us to present the awards.

These employees have distinguished themselves in the government-wide "War on Waste."

They have shown great ingenuity in improving the way the Department does its job.

They have served agriculture, they have contributed to better government, and their ideas have helped the whole Nation.

These recipients, of course, would be the first to acknowledge that the improvements and cost reductions for which they are being cited were made possible not only by their individual efforts but also by the inspiration, cooperation, and active assistance of their colleagues. In honoring them, therefore, we also honor the rank and file of the USDA.

As Secretary, I am immensely proud that in the past four years the U.S. Department of Agriculture has realized improvements in management and operations valued at over \$1 billion. This \$1 billion saving to American taxpayers is the largest saving achieved by any of the non-defense Cabinet level departments.

Improved management practices enabled us to reverse last year the rise in USDA employment -- which had been almost continuous for a decade. We had about 4 percent fewer employees in June 1964 than in June 1963. Since then we have been given some new jobs and we may not be able to duplicate last year's achievement. But we will keep trying.

It is worth noting in this connection that the greatest decrease in employment has taken place in Agricultural Stabilization and Conservation Service, the agency in most direct contact with farmers. ASCS employment in fiscal 1966 will be about 15 percent below the level needed in 1961. This agency employs a relatively small proportion of the USDA staff, although most people assume that USDA employees work only for farmers.

What is most important, however, is that productivity per man-year has steadily risen and is still going up. It has had to, because the workload and responsibilities of the Department have soared since 1960.

For example, recreation visits to the national forests have increased by about one-half.

The number of children fed under the School Lunch Program has increased by one-fourth.

The volume of meat and food products inspected has increased by about one-seventh.

Loans and grants to farmers and other rural people by the Farmers Home Administration have much more than doubled.

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Watershed projects under construction have also sharply increased.

We have stepped up productivity and achieved savings by a variety of methods, including the adoption of automatic data processing methods, centralized management services, and improved program management.

Some of these improvements have been made by technological developments which are so complex that it is difficult to explain them, let alone to understand them. But much of the increased productivity and many of the costs which have been avoided are the uncomplicated result of the ingenuity of the people who work here to do their job better.

For example, Fred P. Eshbaugh, Superintendent of the National Arboretum, was asked to provide 40,000 seedlings which would be needed to help beautify the Capitol grounds. But he had neither the money nor the space to raise the seedlings in the conventional manner.

So he improvised, and as a result developed a technique that reduced space needs by two-thirds and will cut production costs \$8,500 this fiscal year and \$11,000 in the year ahead.

He substituted square paper cups for the plastic pots used to raise seedlings to save both space and money, and he arranged to get the empty tin cans usually discarded by military kitchens in the area and substituted these for the larger plastic pots used in transplanting the seedlings. The military kitchens place the empty tin cans in their original cartons, and thus are saved the task of disposal.

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There are other examples of individual initiative.

By eliminating 119 reports and improving 149 others, we have cut paper work costs by about \$370,000 a year.

A strict publication control program has saved over \$325,000 in the past 2 years.

A dramatic increase in meat and poultry inspection per man-year will have produced savings estimated at \$15.3 million by next June 30.

Our report for the three months ended March 31 shows further savings of more than \$39 million over and above amounts included in previous reports.

By amending the regulations governing the inspection of hog cholera serum and virus, we will save \$50,000 this fiscal year and \$74,000 in fiscal year 1966.

A new method of handling funds earmarked for State use under the School Lunch and Special Milk programs will save over \$725,000 in interest charges to the Treasury.

New contracts negotiated by the Rural Electrification Administration have made it possible to avoid a \$15 million loan and still accomplish REA program objectives.

A major consolidation of Soil Conservation Service field staffs and units into four Regional Technical Service Centers will save over \$133,000 this year and more than \$373,000 in fiscal year 1966.

These are actual hard savings which flow from the discovery or development of better and more economical ways of doing our job. They are impressive, but they are only the beginning. There is still plenty of room for improvement.

Truly we live in an era of immense opportunity -- an era in which opportunities are as plentiful and as great as our imagination to create them.

Mr. Vice President, two years ago I established a task force to undertake a self-survey of the National Agricultural Library of the USDA. The task force has now reported. It finds that the use of electric computers could lead to manpower savings permitting a doubling of output in some phases of the Library's bibliographic services. It recommends installation of an automated system. It estimates that by adopting the first stage of such a system for the storage and retrieval of bibliography information savings of \$52,000 could be achieved over a three year period.

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This is the latest development in our consistent efforts to increase efficiency and reduce costs through automatic data processing.

Mr. Vice President, in recognition of your long-time encouragement of the Department's efforts to expand library service to American scientists, I have great pleasure in presenting to you the first copy of this task force report.

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USDA 1276-65

26, 1965

Income to the farmer, at a time when national prosperity has never been higher, is shockingly low.

Fewer than 400,000 farmers out of nearly 3.5 million receive an income that is comparable to the wages of the skilled worker together with a reasonable return on investment.

Yet, the farmer by his labor enables the American people to enjoy a greater abundance of food, of a higher quality, and at lower cost than ever before in history. The average family today spends only 18.5 percent of takehome pay for food, or less than in any other nation.

Without this abundance, the nation's prosperity would be meaningless. If the American people are to continue to enjoy low cost food, and if the farmer is to receive a decent reward for his unparalleled success, then the farm commodity programs must be continued and strengthened.

Without these programs, net farm income would drop by half, and even the most prosperous farmer of today would find himself racing toward bankruptcy.

Because of commodity programs, farm operators realized a net income of \$12.6 billion in 1964 and \$12.5 billion in 1963. The increase from 1963 resulted from higher total cash receipts which more than offset a smaller than usual rise in farm production expenses. Although cash

Remarks prepared for delivery by Secretary of Agriculture Orville L. Freeman before luncheon of Newspaper Farm Editors of America, at U. S. Department of Agriculture, Washington, D. C., 12:15 p.m. EDT April 26, 1965.

receipts from farm marketings in 1964 declined slightly from the record high \$36.9 billion in 1963, this was more than offset by a rise of almost \$500 million in Government payments, which totaled \$2,168 million.

Realized net income per farm from farming was estimated at a record high \$3,642 in 1964 compared with \$3,504 in 1963. The disposable personal income per capita of the farm population from farm and nonfarm sources combined rose in 1964 to an estimated \$1,405 from \$1,376 in 1963. A drop in the farm population in 1964 and increased opportunities off the farm contributed to the rise in per capita income. However, despite the gain in the disposable per capita income of the farm population in 1964, it remained at around three-fifths of the average income per capita of the nonfarm population.

Continued stability is the outlook for 1965.

Farmers' realized gross income in 1965 may exceed the \$42.0 billion record reached in 1964. Production expenses will show some further increase, but probably less than the average annual increase of the past decade. Thus, realized net farm income this year is expected to hold around the \$12.6 billion of 1964, close to the level which has prevailed since 1961. This farm income picture for 1965 assumes "average" weather during the growing season and a continued strong domestic and foreign demand for farm products.

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Cash receipts from farm marketings in 1965 may be about the same as the \$36.7 billion estimated for 1964. Slightly lower farm prices, on the average, probably will be offset by a larger volume of marketings. Government payments to farmers are likely to be moderately higher than last year's total of \$2.2 billion.

The rise in farm production expenses expected in 1965 will result mainly from increased charges for overhead items such as taxes, mortgage interest, and depreciation. Current operating expenses may also be higher, but an anticipated drop in the farm wage bill will offset some of this increase. The average of prices paid by farmers for production goods and services is showing more of an increase in 1965 than occurred last year.

Beyond the current year, the future level of farm income depends largely on the action taken by the Congress to provide new farm commodity programs. The proposals of the Administration will provide a modest increase in net farm income as well as a modest saving to the taxpayer, and they further are designed to assist the farm operators with less than adequate resources to acquire the resources he needs or, if he chooses, to sell his assets and receive a fair price for them.

The proposals of the Administration recognize that massive changes have occurred in farming, and that the forces which cause those changes are still very much present.

The magnitude of the change in farming -- which has been characterized by the growth of an agricultural system with more family size farms and fewer larger than family farms -- can be seen in these developments which have occurred since 1949:

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1. Farms with less than \$2,500 of sales accounted for 88 percent of the total decrease of 1.7 million farms. The decline in the number of farms with \$2,500 to \$9,999 are responsible for 10 percent of the drop, and 2 percent is due to the decrease in larger than family farms with sales of \$10,000 or more.

2. Farms with \$10,000 or more sales were rapidly expanding, solely because the number of adequate size family farms more than doubled. In 1949, there were 346,000 family farms with \$10,000 or more sales; they accounted for 7 percent of all farms and 23 percent of all farm marketings. In 1964, there were 891,000 family farms in this group; they accounted for 26 percent of all farms and 54 percent of all farm marketings. In the same period, the number of larger than family farms decreased from 165,000 to about 125,000.

3. The proportion of family farms and of their production increased slightly. In 1949 they accounted for 94.6 percent of all farms and for 66 percent of total farm marketings. In 1964 family farms accounted for 96 percent of all farms and for 73 percent of total marketings.

Thus, in 1964, there were an estimated 3.5 million farms, of which 2.1 million, or about 60 percent, were commercial farms by definition and of these 94 percent were family farms and only 6 percent larger than family farms. The remainder, 1.4 million farms, were part-time and part-retirement farms.

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U.S. Department of Agriculture
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You are here today to learn how decisions are made in Washington, D. C., or more specifically how the democratic process works.

I suspect that what you will hear will be a very excellent description of the technical process of government decision making. If you want to know how decisions are really made, then you should pack up this instant and return home and take a new look around your community and state.

If you can identify problems that concern the majority of your friends and neighbors, and if broad agreement can be reached on what actions should be taken -- or not taken -- to rectify them, then you will see how decisions are made in a democracy.

For in our democracy decisions are made by the people, and only then are they ratified in Washington, D. C.

The procedures and processes of government are primarily techniques to formalize these decisions and to provide checks and balances to prevent wrong or hasty decisions. Oftentimes, the activities of pressure groups and the presence of seemingly immovable roadblocks make it appear that the decision making process is designed to prevent the making of decisions.

But, as in the example of Civil Rights legislation last year and of medical care legislation this year, there is nothing which can stop an idea when its time has come.

Address by Secretary of Agriculture Orville L. Freeman before the Thirty-fifth National 4-H Conference, National 4-H Center, Washington, D. C., Tuesday, April 27, 1965, 8:30 a.m. (EDT).

Thus, the decisions of public policy are basically the product of the American people, and the timing of those decisions is largely determined by the people.

I don't want to make this process appear either simple or inevitable. It is neither. If a problem is to arouse sufficient concern to require a decision on policy, much effort will be involved. The problems first must be identified and described. The description must be communicated, and a number of alternative solutions considered. A consensus must develop around one solution, and this consensus must be communicated to others. By the time all these activities have been accomplished, few political leaders -- those to whom we entrust the process of ratifying decisions -- will be unaware of the need for a decision and fewer still will be unsympathetic.

To do all this requires leadership -- obdurate, informed, persistent and responsible.

These are qualities which I believe young people possess today in greater measure than many of us adults recognize.

The rights and responsibilities of citizenship and self-government can never be fully exercised by any of us until all citizens have an equal access to those rights and responsibilities. You can be proud that one of

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the consistent elements in the effort to achieve equality in voting and in opportunity for employment and a decent home have been young people, both Negro and white.

Similarly, in recent months, the adult world has been shaken by student demonstrations on college and university campuses from East to West. Much has been said and written about the revolt of the unquiet generation, but it appears that much of the protest is against the dehumanization of our institutions of higher learning.

At the University of Minnesota, where size has always been an expression of pride, over 2,000 students sit down together for one class. There is little personal contact in this situation, either between students and teacher or even between students.

Recently, the writers and reporters who follow these campus events have begun to note that the question of whether students are getting enough time and attention from professors is being increasingly raised in discussions at various schools.

The problem is being identified, and we are being forced to face the real question of whether our Universities and colleges have not become research centers at the expense of de-emphasizing the primary task of teaching. The principle of "publish or perish" which has dominated our attitudes toward career advancement in higher education may have been carried too far.

Here again, the leadership of the younger generation has raised a worthwhile question and has persisted in seeking a solution.

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In both instances I have cited, the leadership which has brought about or is bringing about change has been exercised in the local community. What I want particularly to discuss with you today is a challenge to young people which will require leadership and action particularly at the local level.

And it is a challenge which calls specifically for the talents of the young people in 4-H clubs.

It is a challenge each of you will find in your own backyard. If you have felt the urge to join the Peace Corps, or have been intrigued by the possibilities of the VISTA volunteers in the war on poverty, then the challenge is ready made for you.

It is the need to eliminate the disparity of opportunity between those who live in urban areas and those who live in rural areas. And, while this inequality is reflected in the difference in opportunity between a resident of New York City and a person living in a rural mountain county in Tennessee, the disparity exists even within a county such as the one we are meeting in today.

Montgomery County, Maryland, has the highest per capita family income of any county in the U. S. Substantial homes line the streets surrounding the 4-H Center here. Most families appear to have two cars -- at least there seems to be that many during rush hour traffic.

But a recent study of Montgomery County shows that unemployment in rural Montgomery is higher than for the county as a whole, that those

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who live in rural Montgomery have less schooling than the average and that the quality of homes in rural Montgomery is substandard, particularly for Negro families. Rural Montgomery has 20 percent of total population, but 40 percent of the poverty.

Shocking? Perhaps, but it only reflects the opportunity gap that exists throughout this country.

A family living in rural America is twice as likely to be living in poverty as a family in urban America.

A rural family is twice as likely to be living in substandard, slum housing.

Almost every city family is assured of an ample supply of pure water. But in many rural areas, no family can be sure of drinking uncontaminated water. Some 15,000 rural communities over 100 population have no water systems. A fourth of all farm homes, and a fifth of rural non-farm homes, have no running water.

Rural children have, on the average, less chance for a first-class education. Rural teachers are paid less; rural schools are less well-equipped. Such extra advantages as kindergartens, for example, which are taken for granted in our better city and suburban school systems, are almost unheard of in the countryside. The best, up-to-date vocational training for space-age occupations is concentrated in the cities. For higher education, far more urban than rural young people have college facilities within commuting distance. For all these reasons, the average educational attainment in rural areas is about two years less than in the cities.

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Job opportunities are concentrated in urban areas. A recent survey by the National Rural Electric Cooperative Association shows that in more than half of the rural areas served by these organizations job opportunities are insufficient. Two-thirds of the power cooperatives reported there were no adult job training programs in their areas, or those available were inadequate.

Rural children receive one-third less medical attention than urban children. Rural people have less access to credit for housing, for business expansion, for public utilities.

I could go on. But the picture is clear. It is the picture of a segment of the American people who are disadvantaged in almost every way because of their place of residence -- the "geographically disadvantaged."

The young people of rural America, for the most part, have sought to overcome this disadvantage in the past by moving away as soon as they were able. Too often, when the son or daughter left for college, if their parents could afford to send them, they never returned.

In the past decade well over half of all rural counties experienced a net loss in population. But it is one thing for better educated, self-sufficient young people to go from the farm or the rural community to the city in search of better opportunity. It is quite another for older people, ill-educated, perhaps in poor health, lacking in any skill that is usable in an urban setting, to be driven out of the rural area by economic necessity and forced to move to the crowded city where they are unwanted and unneeded.

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The answer is not to transform rural poverty into urban poverty, but to strike at the causes of poverty and rural decay. And this is where you and millions of talented, energetic young people all over the nation have a challenge. You are desperately needed.

The President has challenged the nation to close the opportunity gap for rural America. Insofar as we in the USDA are concerned, it is more than a challenge -- it is a directive. We are instructed to make sure that the benefits of Federal assistance programs -- like those under the Economic Opportunity Act -- reach rural America in a fair proportion. Insofar as people outside the Government are concerned, yours is the enormous job of mobilizing under the banner of "parity of opportunity" the leadership and the talent that exist in every rural community and in every 4-H club.

The loss of the better educated young people has created a leadership lag in rural America. The fact that rural people are more widely dispersed magnifies the problems of communications and organization. There is much to be done.

New tools to fight poverty in the country are waiting to be used.

The Economic Opportunity Act passed last year by the Congress gives special attention to community action and to community planning.

Staff members of the Cooperative Extension Service, or of one or another USDA agency, have been instrumental in encouraging and assisting many, if not most, of the rural communities who have thus far had community action proposals approved by OEO. And we can do more with your help.

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We are able to build, of course, on the strong foundations which you and we have laid through four years of intensive work in Rural Areas Development, beginning with our Land and People Conferences back in 1961.

As the result of that effort, rural community development groups are organized in more than 2,100 counties, involving over 100,000 rural leaders. These groups have helped to create some 412,000 new jobs in rural communities, including 40,000 jobs provided by 316 projects financed through the Area Redevelopment Administration. Over 550 rural communities have built or expanded water systems with USDA loans since 1961, and we have been able to provide financial assistance for a variety of other activities -- rural housing, small watershed development, rural recreation enterprises, new agricultural enterprises, and so on.

The elimination of rural poverty was from the beginning one of the stated aims of Rural Areas Development. The job-creating activities of the RAD committees are assuredly one of the essential means of overcoming poverty. But the Economic Opportunity Act, following the President's declaration of unconditional war on poverty, gave to local communities a whole range of new and effective weapons which they can now employ.

We have established a new agency -- the Rural Community Development Service -- to provide a new communications channel to rural America serving agencies outside the Department of Agriculture. The top priority assignment of this new Service will be to help the Office of Economic Opportunity get its message through to rural areas.

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Extension leaders in a number of States are organizing in-service training programs this summer to prepare their people to work more effectively with low-income families and minority groups.

We are now working on a motion picture that will graphically portray the problem of rural poverty and provide a "How to Do It" guide to community organization.

What I would like to see from the 4-H clubs and members around the country is a commitment of involvement, both immediate and for the future, in the war on rural poverty.

In a rural Virginia community which is seeking to lift itself up, there is a young man still in his teens who has organized a program to reach school dropouts -- and there are many in rural America -- and encourage them to return to school. In other rural counties, young people are working in day care centers for children.

Imagine if you can the benefits which could come to rural America if projects such as these and others were multiplied thousands of times over as 4-H clubs began to truly reach out to help people.

In the long run, the success or failure of the effort to root out poverty in the countryside will depend on the leadership which is given to this task in the years ahead. That is a job which will increasingly fall to the young people who are now growing up in rural America, and who reach out -- as do 4-H youth -- for responsibility.

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Thus, if the job is to be done, more of the rural youth must accept the challenge in their own backyard -- they must go home again. They must take a fresh look at the old home community and resolve to help bring a new dimension of opportunity to it so it will prosper and provide for its people equal opportunity in a superior atmosphere.

The reward when you do that, I suspect, will be greater than having contributed to a better life for those who live in rural America. You will have made life better for all people.

Unless I miss my guess, the campus revolts of today against the dehumanization of our colleges and universities will reappear again tomorrow as revolts against the depersonalization of urban and city complexes.

When that happens, and when we achieve equality of opportunity between rural and urban areas, then rural areas will have one distinct advantage: that is, rural America will be a place where man can work and play as an individual in an environment of living things.

Thus, today we should work for rural development and elimination of rural poverty because tomorrow we must be prepared for a reversal of migration from the country to the city.

It is an idea whose time has not yet come. But it shall, and we should begin now to prepare for it.

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U.S. Department of Agriculture
Office of the Secretary

28, 1965

A dedication implies commitment to a cause or an ideal.

At this "dedication dinner" we honor the Board of Governors of the Academy of Food Marketing by directing attention to the goal to which they have dedicated this academy -- "the alleviation of world hunger." The acceptance of this goal assumes a world-wide responsibility for the fulfillment of needs men have sought to fulfill throughout the ages -- for themselves, their families, their tribes or their nations. But it is only in this generation that men have thought in terms of alleviating hunger for the entire world.

My message tonight will deal with that goal:

- in terms of its importance to every individual, to every business, to every nation;
- in terms of its magnitude, and the problems involved in directing our efforts toward its achievement;
- and finally in terms of the prospects for the years just ahead and the choices that must be made in our progress toward the realization of that goal.

First, I would pay sincere tribute to the vision and the wisdom of those who raised the standard of this goal as a basic

Address by Secretary of Agriculture Orville L. Freeman at Dedication Dinner, Academy of Food Marketing, St. Joseph's College, Philadelphia, Pa., Wednesday, April 28, 1965, 7 p.m. (EDT).

concept underlying the establishment of the Academy of Food Marketing at St. Joseph's College. I can think of no finer tribute to the food marketing industry of the United States than its support of an institution dedicated to the goal of alleviating hunger in the world.

Among the many interests and concerns that the American farmer and the American food industry have in common is the fact that, in the case of each, its magnificent contributions to our level of living are too much taken for granted by the American public. For more than four years I have tried to point out the extent to which our high living standards -- and our ability to purchase so many of the necessities, conveniences and luxuries of modern life -- are made possible by the fact that we can purchase our food for only 19 percent of our take-home pay. (And in this connection, may I express deep appreciation for the way the food industry has cooperated with us in helping to get this fact across.)

We in the United States are able to supply our need for food at less real cost than has ever before been possible, anywhere in the world, at any time in history. But this is not all. This food, that fills our collective market basket so adequately, is of higher quality and more convenient to use than has ever been available before. And the credit for all this must rightly be shared by the American farmer and by American agribusiness.

Just as I have worked, and shall continue to work, to the utmost of my ability to create conditions under which the American

farmer can receive a share in the total reward that is commensurate with his contribution, so shall I continue to cooperate with the agribusiness community to the end that it is given its fair share of the credit.

I need not elaborate, to this audience, on the thousands of ways by which the USDA cooperates with the food processing and food marketing industry. Our regulatory functions are many, but it is a tribute to the American way that cooperation and service far outweigh rule-making and enforcement in our relationship.

I am impressed by the extent to which leaders in the food industry recognize the importance of the maintenance of those high standards that characterize the industry as a whole. Government-industry cooperation in regulatory functions helps to prevent damage to the entire industry because of a few who would lower such standards. I know this partnership will work well in the future as it has in the past.

It is appropriate that the industries that you represent should be concerned with the alleviation of hunger -- a goal which gives meaning to the entire process of production and distribution of food. The high level of your achievements in processing, handling, storing and distributing food products demonstrates your competence in providing elements that are essential in the war on hunger.

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If your know-how could be transferred to India, the hungry people there would no longer lose the one-fourth of their total production of food that is now wasted or destroyed because of faulty handling.

If the American food industry, which has already developed a multi-purpose, protein-rich food suitable for providing all essential nutrition requirements for pre-school children, could develop ways of producing it at low cost from available commodities, of packaging it appropriately and selling it widely, the mental and physical health of hundreds of thousands of children -- and the lives of many of them -- would be preserved.

These are illustrations of how the talent and experience of the American food industry could provide invaluable assistance to many countries as they seek to ameliorate hunger. Such assistance would result in permanent gains to the donor as well as to the recipient.

These gains would flow in two directions. Our exports would expand as less developed countries progress toward higher levels of income and economic growth. Recent studies have shown that a ten percent increase in per capita income in less developed countries results in a twenty-one percent increase in their purchase, for dollars, of our food products.

Second, and more important, the attainment of security and peace would be significantly furthered.

All over this world people are seeking a better life. Whether they know it intuitively, whether they get the word through the beat of drums in the jungle or through a transistor radio in a mud hut, the most poverty-stricken and oppressed are familiar with the fact that the good life does exist ... that men do live in

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decency and with dignity in places like the United States. They believe that they, too, can have enough to eat. In the hearts and minds of billions of hungry people, food on the table is more important than satellites in the sky.

Countries where health is impaired because of faulty nutrition, where education is hampered because children are malnourished, where workers are inefficient because they are ill-fed, where economic growth is held back because of gross inadequacies in the food and agriculture sector -- such countries provide fertile ground for communist and revolutionary propaganda. While our military strength remains the basis of our ability to preserve freedom, it is essentially a powerful backdrop against which the diplomats, the teachers, the dam builders and the agricultural experts carry on the work of helping the emerging nations to build solid foundations for their newly independent life. Our foreign aid program is, in fact, a security program. To the extent that we can help people in developing nations attain higher standards under free institutions, to the extent that we can help them demonstrate to themselves that they can achieve those standards under our individual enterprise system, to that extent we will be helping to build for ourselves a more secure world.

The goal of alleviating hunger in the world is therefore more than a worthy one, it is imperative. President Johnson has said:

"I do not believe that our island of abundance will be finally secure in a sea of despair and unrest or in a world where even the oppressed may one day have access to the engines of modern destruction. Moreover, there is a great moral principle at stake. It is not right in a world of such infinite possibilities that children should die of

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hunger, that young people should live in ignorance, that men should be crippled by disease, that families should live in misery, shrouded in despair."

In addressing the First World Food Congress in June of 1963 the late President Kennedy put it this way: "So long as two-thirds of the nations have food deficits, no citizen and no nation can afford to be satisfied. We have the ability, as members of the human race, we have the means, we have the capacity, to eliminate hunger from the face of the earth in our lifetime. We need only the will."

Unless this nation responds fully to this great inspirational call to action by two far-sighted and wise American presidents history will surely treat us poorly. Perhaps if we refuse to accept that opportunity there will be no history ... for the true nature of this task is the preservation of peace which can only be accomplished by the extension of progress and prosperity throughout the world.

When I accepted the responsibility of service in the Cabinet of the President of the United States, I saw our food abundance not as an end, but as a means -- and all I have seen and felt and done since January 20, 1961, has strengthened that concept.

For the past ten years we in the United States have recognized our responsibility by carrying out, under our Food for Peace program, the most massive effort to combat hunger the world has ever known. Under the World Food Program we are leading a multilateral effort toward the same end. We have been able to combine our own interest in finding constructive uses for our own agricultural abundance with the interests of hungry people in less developed parts of the world.

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As a result food aid is approaching 40 percent of our total economic assistance. We are feeding 40 million children school lunches in 89 countries. Our food provides better nutrition for a total of 100 million people. It is used as part payment of wages in projects for economic development. Currencies generated by our Title I sales help to save dollars in paying for American expenses abroad, as well as to finance important economic gains in the recipient countries.

Gunnar Myrdal, the noted Swedish economist, said in Chicago last month that "except for American deliveries of food under Public Law 480, there would have been mass starvation" in India; and that Pakistan and Turkey "could not have survived if they had not increasingly been fed by the agricultural surpluses from the United States."

Today, in this nation, our government, private groups, and individual citizens are reviewing this challenge. We are asking ourselves searching questions about the future. We are considering our own farm programs in terms of how much we can expect to sell at home, and how much we can hope to sell to the other advanced countries under the trade arrangements that are now being formulated in the Kennedy Round of the GATT negotiations. We are asking how much we will need to fulfill our responsibilities under our concessional sales and donations programs to the less developed countries, and we are asking what we can do to insure that those programs make the most effective possible contribution to our total assistance effort, and particularly toward helping recipient countries to help themselves.

We are, in a very real sense, at the crossroads. As we choose the direction in which we will go we will strongly influence the history of the world in the years ahead. If the U.S. is to make the right choice we must, as a people, gain a greater understanding of the magnitude of our task.

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In recent months prospects of famine -- something absent from the free world in the decades just past -- have appeared in headlines in American newspapers. Other headlines have been frightening, confusing and contradictory.

In October of last year, the FAO released its "State of Food and Agriculture 1964" and stated "the world produced less food per person in 1963-64 than it did in 1962-63. Population rose about 2 percent, and food production per head fell by something less than one percent." It pointed out, further, that food production in general increased the most where it was needed the least.

At about the same time the Economic Research Service of the USDA published "The World Food Budget 1970," which pointed out that today "two-thirds of the world's people live in countries with nutritionally inadequate national average diets"; and that "per capita production since 1959-61 has remained unchanged or declined in nearly all of the diet-deficient sub-regions."

A recent headline in the New York Times was entitled "A New Nation Is Born." It pointed out that nearly 63 million people were added to the world's population last year -- enough to add a new nation much larger than France. And that was the new nation for 1964, the new nation added in 1965 will be larger, and that in 1966 still larger.

In September of last year Raymond Ewell, Vice President for Research of the State University of New York at Buffalo, said that "If

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present trends continue, it seems likely that famine will reach serious proportions in India, Pakistan and China in the early 1970's followed by Indonesia, Iran, Turkey, Egypt and several other countries of Asia, Africa and Latin America by 1980. Such a famine will be of massive proportions affecting hundreds of millions, possibly even billions, of persons. If this happens, as appears very probable, it will be the most colossal catastrophe in history."

Only last month, in Chicago, Gunnar Myrdal expressed the fear of "a world emergency ... exploding upon us within only a relatively few years," and said that his studies indicate that the FAO calculation that food supplies would have to be doubled by 1980 and trebled by 2000 was an underestimation.

On the other hand, the major wheat exporting nations face a dilemma in considering a world grains arrangement, primarily because they cannot foresee markets for all the wheat that probably will be produced in the years immediately ahead. Agricultural surpluses are expected to accelerate in most of the highly developed nations.

Surpluses and Shortages! What is the truth about the food gap in the world today?

I believe that there is today among those who have seriously studied the problem of world hunger, sufficient agreement on certain aspects of that problem so that we can face -- now -- the difficult choices and decisions that its solution will involve.

We face those choices in the light of the following concepts.

First, with regard to the magnitude of the need in the years ahead. Even if we regard Dr. Ewell's predictions of catastrophe if present trends continue as unduly pessimistic, I think it is crystal clear that the threat is so serious that it calls for a supreme effort to alter those trends that lead in that direction.

USDA economists point out that for the next five years or so the basic problem is less the threat of famine than it is the need to improve sub-standard diets. Barring unforeseen disasters such as widespread crop failure, present trends indicate that food production should gain a little on growth of population. The real problem is that this slight gain is not enough to remedy nutritional needs that are acute for many people in many places, and that it is very far from enough to satisfy the desires and demands for more and better food that increase as incomes rise in the developing countries.

Positive action is therefore necessary to raise nutritional levels in the interest of health and vigor, and to prevent the stunting of economic growth that results when rising incomes in developing countries create an increasing demand for food that cannot be met.

Action is necessary in two directions. First, it is clear that, for at least the decade ahead, the developing nations will continue to need food aid. The amount of such aid will depend on the extent to which they can and will improve their own agricultural productivity or their own ability to purchase food on commercial terms. If they greatly step up their rate of development in either or both of these respects, they will probably still need an amount approaching that which we are now providing. Rapid population growth and increased economic development will increase the demand for more and better food.

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If, on the other hand, they fail to step up their rate of growth in agriculture, and/or their ability to buy food on commercial terms, the amount needed to fill the food gap will be two or three times greater than has ever been provided as food aid. It will then be so great that it would task the productive potential of American agriculture. Such a volume would be far greater than we could expect the less developed countries to be able to handle, store, and distribute under current facilities and know-how even if we could afford to get it to their shores.

In any event, it is clear that for the predictable future significant amounts of American food and fiber will be needed in developing countries.

This leads to the second direction in which action is necessary. Positive and effective action must be taken to assist the hungry nations to make a rapid advance in their own agricultural productivity, or -- in those cases where development in non-agricultural sectors is economically more feasible -- to reach a stage of economic development at which they are able to buy their food. In most of the developing countries, agriculture now engages such a high proportion of the population that, unless the level of agricultural development and the level of living of those who cultivate the soil are raised all economic growth is severely retarded.

No country in the world wants to be dependent on the U. S. for its food forever. Nor is it in our interest to run a world-wide relief food program forever. Instead, we must help them to help themselves.

This means much more than appears at first glance.

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Much research is needed, not only to adapt the methods, machines and technology that have made our agriculture so efficient to indigenous conditions, but also to develop new knowledge and methods particularly with regard to tropical agriculture.

Much education is needed, including extension programs under which knowledge can be made available to those who cultivate the soil.

There is a vast need for institutional development, for transportation, for storage, for processing, for distribution and marketing.

The development of pricing policies that will give producers an incentive to produce more is essential.

And there is overall need for technical assistance, and ways to finance the substantial capital inputs that will be needed.

These all relate, on the one hand, to how much and what kind of assistance we can provide, and, on the other, to measures that must be taken and policies that need to be adopted by the nations in which the deficits exist. To the extent that we can gear our assistance to their own efforts of self-help we will be adding to the prospects for success.

The obstacles in the way are formidable, ranging from illiteracy in the recipient countries to lack of understanding here at home. But the opportunity is so great that it takes on an aspect that is new in history.

Many commentaries have been written on the role of food and agriculture in history. It has been pointed out that civilization began when men learned enough so that they did not need to spend all of their time and energy getting

enough for survival, so there was time and opportunity for other things. Wars have been fought for land enough to produce food.

Today we are presented with a new and very exciting dimension -- the potential for abundance -- a potential that is dramatically illustrated by American agriculture in terms of both its progress and its problems. I am convinced that the judgment of history up to this year of 1965 will credit our nation with having used this abundance, under our Food for Peace program, to make available a level of assistance to other nations and other peoples unprecedented in the annals of relations among nations, in a measure that would have been impossible in any previous age, carried out with a vision worthy of the highest American ideals.

Our challenge today is to expand that vision and uphold that goal to meet even greater needs ahead.

Let us, then:

- make our foreign food assistance program more responsive to the vital needs of our free world neighbors who need the help.
- provide for the research, investment and technical assistance in agricultural development that will result in stepped-up growth in developing countries, and use our influence to prevent the receiving country from neglecting its domestic agricultural development.
- move toward long-range commitments so that those we seek to help can make long-range plans.

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In these critical years of history, when a constantly shrinking world encompasses poverty in the midst of plenty, hunger along with surpluses of food, and population increasing at an unprecedented rate, many are concerned with what they regard as a race between population and food supply. In searching for a solution, some emphasize production and others emphasize reproduction. I prefer the approach expressed in USDA's WORLD FOOD BUDGET 1970, which states "The race is not so much one between population and the food supply but a race between what could be done and what will be done."

What could be done has been determined by scientific and technological advance that has made it possible for us to produce enough food -- and other material necessities of life -- for all. It has been demonstrated, in part, by what agriculture and agribusiness have accomplished here in the United States.

What will be done has yet to be determined -- in the United States and in other nations, developed and developing, throughout the world. Because of our leadership and our abundance in agriculture and food, we are in a position to influence choices made in other nations. We can substantially influence what will be done.

It is our responsibility to choose whether, in this critical decade ahead, we will do our utmost to alleviate hunger in the world. It is our responsibility to choose how we will go about this task, and at what level we will support it. We can fulfill that responsibility only to the extent the American people understand the problem and support the goal.

The wisdom, humanitarianism, and vision represented by your dedication of this Academy to "the alleviation of world hunger" testifies to the practical idealism to be found in American industry. It strengthens our confidence that the people of this nation will support what needs to be done to extend our hopes for a Great Society to the entire world.

U. S. Department of Agriculture
Office of the Secretary

7/10/1965 I welcome this opportunity to talk to you about our country's contribution to international agricultural development. I welcome it because too few Americans realize the urgency and magnitude of needs for greater agricultural production in much of the free world. Few realize the close ties between the future of America and American agriculture and the success or failure of nations in Africa, Latin America, and Asia to develop strong, vigorous economies.

I am pleased to meet with you this morning also because I know that a most effective and long lasting means of technically assisting people in developing nations is to equip them with new skills and knowledge. As I have said before, you can help a hungry man by offering him food. But if you really help him you not only offer agricultural abundance, you share with him the know-how that makes our abundance possible. This is the task of you and your institutions and agencies -- sharing our know-how. Let me assure you that this task is a most important one. I hope that this Conference will give you new inspiration and imagination for whetting still sharper the vital contribution of your work.

As many of you know, I often speak about the rapid, almost tumultuous changes that have taken place in American agriculture. These advances have almost completely erased the walking plow, the hay loader, the iron-handled pump and hand-churn. At the same time they have given us the greatest

Remarks by Secretary of Agriculture Orville L. Freeman at the Eleventh Conference on Foreign Agricultural Training Affairs, 9 a.m., Monday, May 10, 1965, in the Departmental Auditorium, Washington, D. C.

storehouse of food and fiber ever known in the history of man. You are well aware of the great benefits reaped by all Americans and the entire world by this progress in American agriculture.

I would like to call your attention to another change that has taken place somewhat unnoticed. This is the rapidly growing interest of American farmers in world agriculture and world developments. The vast importance of world markets for American farm products is widely understood. We realize that to expand these markets further we must look to the less-developed nations with their exploding populations and needs for U.S. products. We are aware too of the billion and a half people in the world who have inadequate diets and clothing, conditions which breed unrest and hold dim the hopes for self government and democracy.

In a very real sense, the American farmer has become a farmer for the entire world. Last year we shipped to other countries the harvest from one out of every four acres of American cropland. This was more farm products than were exported by any other country -- more wheat, corn, cotton, tobacco, and soybeans. Of the recent crops produced by the American farmer, we have shipped abroad two-thirds of his wheat, almost two-thirds of his rice, close to half of his soybeans, a third of his cotton, and about a fourth of his tobacco. U.S. exports of farm products exceed those of Canada, Australia, and Argentina combined.

Obviously, these exports are very important to our agricultural and business communities. We have been able to build them from just over \$4 billion a year in the late 1950's to more than \$6 billion in 1964. Yes, the size of these foreign markets is impressive.

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But most increases in our agricultural trade in recent years have been found in the developed countries. In the future, expansion of markets for U. S. farm products must be found in the developing areas. Populations there are increasing rapidly. People who are underfed and poorly clothed will want to buy our products. Cotton consumption in the U. S., for example, is about 22 pounds per person compared with only 4 to 6 pounds in the less-developed countries.

Our Economic Research Service just completed a study which indicates that when per capita income in the less-developed countries increases 10 percent, dollar sales of U. S. farm products go up 21 percent. In other words, as income goes up imports of U. S. farm products increase twice as fast.

Obviously the less-developed world is a vast, virtually untapped market for our farm products. But these countries who want to buy our products often cannot pay. To become effective customers, they first must grow economically. And to move into the takeoff stage of economic growth they must first make gains in agricultural productivity. This fact is only beginning to receive the attention it deserves, both here and abroad. We are only now beginning to recognize that failure to progress in the agricultural sector slows and stultifies all economic development. This is why technical assistance in agriculture is so vital to the developing countries and to our own agricultural trade with them.

Let me describe a few of the conditions that exist in these underdeveloped areas of the world.

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There are over 2 billion people -- about half the human race -- in these countries of Latin America, Africa, and Asia. This number will more than double by the end of the century, only 35 years away. Eighty-five percent of these people have less food than they need for good health. Their annual income of about \$150 per year will not buy a full set of clothes. Seven out of 10 of these people live and work on the land, yet they cannot produce enough food to feed themselves adequately.

The amount of new land suitable for cultivation is rapidly diminishing.

Food output per person is falling off. In Latin America, where most of our technical assistance has been committed, food production per person has dropped 7 percent in the past 5 years. In Asia, excluding Communist China, it is dropping about 3 percent a year. Where modest gains in agricultural productivity have been made, they have been more than cancelled out by increasing population.

The need for building a strong agriculture in the less-developed countries is most urgent. Any gains in food production that these countries can make will be quickly absorbed by their spiralling demands. Unless progress is made much more rapidly than in the last few years, the world could face famine of catastrophic proportions. On the other hand, if we are successful in exporting sufficient agricultural know-how -- and in helping the developing countries to use that know-how effectively -- we can hope that by 1980 they will need less food aid than they do today, and they will buy more from us on commercial terms.

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These countries have great needs for agricultural institutions such as our land-grant universities, for land-tenure laws and practices, for supervised agricultural credit, for soil and water conservation, and for marketing systems. Cooperatives are needed to provide farm supplies and services. Educational systems similar to our cooperative extension service must be organized and strengthened for teaching farmers improved farming methods.

There is a special need for agricultural research. We have only to look at the agricultural development of our own country to see its importance. Each one of our States had at least one experiment station 75 years ago. Yet in most of the developing nations today there is not one well-organized experiment station in operation.

Unless developing countries can undertake meaningful agricultural research programs, they may be hungry and frail for many years to come.

I'm speaking of the needs for applied research...research to adapt varieties of important staple food crops to local environments, research to identify and develop control measures for tropical insects and diseases.

Most agricultural research in the world up to now has concentrated on problems in the temperate zones. But before the agricultural potential of less-developed nations can be unlocked to produce adequate food for the rapidly growing populations and raise rural incomes, problems of farming in tropical and semi-tropical areas must be overcome. How can soils of the hot humid tropics produce economically? How can tropical forests be made to pay off? How can arid lands be made fruitful? These are questions which only research can answer.

To establish effective research programs requires stability, continuity, and designs for meaningful results. It calls for guidance and knowledge which our

land-grant universities and the U.S. Department of Agriculture are equipped to give.

Here in the Department of Agriculture we have organized to undertake these new challenges in the international area. Since this group last met, we have established the post of Assistant Secretary of Agriculture for International Affairs. You've already met Mrs. Jacobson.

We also have established the International Agricultural Development Service which coordinates the Department's various programs of technical assistance and training. I'm sure you will get to know Dr. Matthew Drosdoff, our first IADS Administrator, during this Conference. The Foreign Training Division with which most of you work is a part of this new Service.

Under the coordination of IADS, the Department now has over 150 agricultural technicians working in 14 countries on 35 different technical assistance projects. About half of these agricultural specialists are members of resident agricultural development teams working with other governments.

In El Salvador, for example, five USDA technicians are giving technical advice for the second year on such problems as agricultural research, extension education, marketing, land use management, and supervised credit.

In Tunisia and Algeria, Soil Conservation Service technicians are helping farmers develop better soil and water management practices through research-demonstration stations.

In Brazil, we are sending 23 specialists from eight of our technical services to support general agricultural development. This Departmental team is advising on programs in marketing, cooperatives, credit, price stabilization, and frontier development. You will be interested to know that six land-grant universities, a private foundation, another U. S. agency and other bilateral and multi-

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lateral organizations are working on agricultural problems in Brazil. The leader of our USDA team and the leaders of the other groups are working closely to assure that these activities contribute to a coordinated country program.

Often the assistance is needed to cope with emergency situations. When the food shortage in India became critical last year, urgent appeals for assistance were relayed from the Indian Government. Riots had erupted in several cities and villages. Food in many areas was far short of demand and prices were soaring.

A primary cause of the crisis was an inefficient marketing system, a system designed primarily to benefit consumers with small return to the farmer. Farmers were cutting production even when there wasn't enough food to go around. There just wasn't any incentive to produce more.

To help find a solution, we have sent nine of our top economists on short-term advisory missions. They have worked closely with Indian officials in setting up a price support program with incentives and other correctives built in. They have helped establish a Foodgrain Corporation which will purchase grain from surplus areas and move it to deficit areas.

The story in India is far from complete. Much must be done before a solution is near. But the Department has responded with the technical assistance needed to rebuild India's marketing system so that similar food crises need not be repeated in India's future. This is the kind of meaningful, appropriately timed, technical assistance in agriculture that this country must provide to assist developing nations in overcoming fundamental blocks to economic development.

Equally important, and probably of even longer lasting benefit, is the continuing program of building technical staffs in these countries by training individuals in our own country. I cannot help but think that if each of the developing countries had adequate numbers of technically qualified specialists, they could move ahead rapidly with key development projects. But, as you know, such trained individuals in many countries are all too few in number. This is why each individual whom we equip with new technical skills in this country is so vital to the developing nations. This is why your work is so important.

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The work of training country leaders here in the United States has a very special importance also for it is an opportunity to show them the real meaning of freedom and democracy. Through your efforts, these key individuals from abroad can learn about our free institutions, our free enterprise system and the great importance of incentive for greater production and efficiency.

By coming to the United States for training, these leaders learn from personal experience the American attitude toward work and its relationship to progress and development. They see the importance of the family and its place in community activities. They see also the opportunity for every citizen to exercise leadership and share in determining the common good for all.

In the past 10 months, you have helped train over 4,000 individuals from other countries. Among them have been government officials, leaders, technicians, teachers, and scientists. The opportunity to introduce them not only to new skills and knowledge but to the fabric of our society is a very special one. I know you do not take it lightly. This is indicated by topics scheduled for discussion and study in this Conference.

Effectively training individuals from abroad requires humility and patience. It requires a sound sense of humanitarianism. It calls for a keen awareness of an individual's personal and professional needs and the wise guidance to assure their fulfillment.

Effective training for individuals from other lands requires a certain flexibility from each of us and our institutions....flexibility to meet an individual's special technical requirements, flexibility in finding the academic pattern that best prepares the foreign participant to tackle the obstacles to development that are unique to his country.

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We often speak of the foreign visitor's need to adapt what he learns in our country to conditions at home. It is equally important that we greet him with a sincere willingness to adapt our systems of training and instruction to give him the most constructive experience in our country possible.

The marvelous cooperation of you and your institutions in this work is both highly essential and deeply appreciated. The institutions you represent are not only great educational centers of this nation but of the world. They are sources of ideas and ideals which seek to solve world problems. The leadership and services they are giving to this country's program of international development is a tribute to their establishment more than a hundred years ago.

In his recent foreign aid message to the Congress, President Johnson clearly defined the importance of this work. "We can and must," he concluded, "mount a more comprehensive program of technical assistance in agriculture engaging the United States Department of Agriculture, our state universities and land-grant colleges, and the most creative of our people in agriculture, marketing, and industry."

The time is now for the needs are great. We have the tools -- now we must organize their use as effectively as we know how. Your presence here proves that we have the will to accept this challenge. Let's go to work.

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U.S. Department of Agriculture
Office of the Secretary

115,1965 We are here today to dedicate nine community water systems in Lawrence County. The people of this county can be immensely proud of your initiative and enterprise in creating one of the most complete systems of rural water supply in America. You are one of not more than half a dozen non-metropolitan counties in the whole United States that have so far attained the goal of making pure water accessible to all rural areas within the county.

For me, this official act of dedication is a symbolic occasion of deep significance.

In this decade -- and in this Administration -- we are marking the end of one era in rural America and the beginning of a new one.

We are marking the beginning of the end of a long period of economic and social stagnation in rural America -- the end of a long period of steady deterioration of our rural communities.

We are marking the renaissance of rural America as an area of new and vast opportunity for all the people who wish to live there.

It is entirely right that Tennessee is taking leadership in revitalizing rural America.

The old frontier spirit of Tennesseans is still very much alive. Today we are exploring not physical frontiers but new frontiers of achievement in improving our society. You in Tennessee have demonstrated that you dare to cross these new frontiers. You care enough about your land, your people, and your future to build well and with pride, even as your forefathers did.

Remarks prepared for delivery by Secretary of Agriculture Orville L. Freeman at the Lawrence County Water Festival, Lawrenceburg, Tennessee, Saturday, May 15, 1965, 2:30 p.m. CST.

Even with the giant power grids and dams of TVA, and with your burgeoning industry, Tennessee is still predominantly a rural State, and, as such, it epitomizes all that is good and all that has been wrong with rural America for so many years. The problems of rural Tennessee are basically the same as you will find in all other areas of rural America: relatively low personal income, declining employment in agriculture, lack of alternative economic opportunity, lack of community facilities, too many substandard houses, too much poverty, and many too many young people who are literally forced to seek opportunity elsewhere -- opportunity that too often eludes them because they are ill-prepared to compete with young people raised in the cities and the suburbs.

But the inspiring thing about Lawrence County, Tennessee -- and many other rural counties throughout America -- is that you are doing something about your problems. With Government cooperation you have built nine community water systems to serve nearly 9,000 rural people. You have built 350 new rural homes in the last four years with Government credit assistance and twice that many more with credit from other sources. You have greatly improved and strengthened your farm family agriculture with the help of credit assistance and other programs of the Department of Agriculture.

What you are accomplishing here can be accomplished anywhere in rural America. President Johnson has given us a banner and a rallying cry in the phrase "parity of opportunity" for the people of rural America. You are showing that this is a real and attainable target. You have proved right here in Lawrence County that rural people can have parity of opportunity to drink pure water -- as a single aspect of our general objective.

This is the real significance of this occasion.

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The job of revitalizing rural America -- of returning it to its former greatness as an area of boundless opportunity -- is one of tremendous magnitude. It is a job, as you well know, of many dimensions. It is going to take many programs -- many of which we now have. It is going to take the combined efforts of local, State, and Federal Governments. But most of all, it is going to take the united efforts and leadership and enterprise of people themselves. Just as you have done here. The Federal Government can provide through its programs some of the necessary tools. But it takes people to pick up those tools and use them. Unless people make Federal programs work, they are worthless.

In the Department of Agriculture, in order to help rural people meet the challenge of transforming rural America, we are transforming the Department. We are broadening our traditional concern, which has been largely limited to agriculture as an industry, to encompass a concern for all aspects of rural America as an element of our national society.

This does not mean that the effort and activities which the Department carries on for the family farmer have been downgraded -- far from it. We are renewing our efforts to improve farm income which, during this period of general prosperity, is much too low. We are constantly trying to improve our commodity programs without which net farm income would be cut in half -- and the family farm would be threatened with extinction. We are fully aware that real parity of income for agriculture is and will remain the economic basis for a strong and prosperous rural America.

But we also recognize that three out of four people in rural America do not live on farms, and programs for agriculture as an industry are not enough by themselves to serve adequately the needs of the nonfarm rural economy. The rural economy must offer a broader range of income and job opportunities, outside of agriculture as well as within agriculture, or the rural community will continue its slow decline.

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We have therefore asked for, and Congress has enacted, legislation to deal effectively with a wide range of problems of rural America.

Housing legislation in 1961 and 1962 broadened the authority of the Farmers Home Administration to make credit available to all rural Americans. Early this year, the President asked that the rural housing program be revised and expanded further so that rural people could have the same access to mortgage credit that urban people enjoy. As of now, this legislation appears likely to pass. Four million rural homes now being occupied need major repairs or should be condemned as unfit to live in. In the last 16 years, only 98,000 rural homes have been built with Federal loan assistance, while 3-1/3 million homes have been built in urban areas with the help of the Federal Housing Administration. This is a disparity of one rural home for 34 urban homes. This gap must be closed.

Prior to 1961, the annual volume of Farmers Home Administration loans for water systems such as we have seen today was less than a million dollars. This year it will be more than \$50 million. Yet the need is far greater, because there still remain some 14,000 rural communities with populations of 100 and over that are without central water supplies.

The Area Redevelopment Act, the Manpower Development and Training Act, and the Vocational Education Act all contain authority to create jobs and to provide rural people with opportunity to gain new and useful skills.

All of these activities we have coordinated under the single title of Rural Areas Development. RAD groups are now organized and functioning in more than 2,100 rural counties, involving over 100,000 rural leaders. These groups have helped create some 412,000 new jobs in rural communities.

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Last year, in response to the President's declaration of war on poverty, Congress enacted the Economic Opportunity Act. Nowhere does the war on poverty have more urgent meaning than in rural America. Half of this nation's poor live in rural America. No rural county is free of poverty. And nothing saps the economic and social vitality of our communities as does the burden of poverty. It is an evil we cannot afford no matter how affluent is the rest of our society.

Since the passage of the Economic Opportunity Act, we in the Department of Agriculture have diverted all the resources we could muster to work, in cooperation with the Office of Economic Opportunity, in helping the communities of rural America enlist in the war on poverty.

We administer two programs -- the Job Corps conservation centers located in national forests, and Economic Opportunity loans in rural areas. Enterprises financed by these Economic Opportunity loans can be either agricultural or non-agricultural and are made to both farmers and non-farmers -- just so they result in higher income from the investments the loans finance. Some 6,600 rural families have now received loans. By the end of next month we hope to reach 12,000.

Every agency within the Department of Agriculture that can conceivably assist in this war on rural poverty has been drafted.

Staff members of the Cooperative Extension Service and other USDA agencies are encouraging and assisting rural communities to organize to prepare community action programs for submission to the Office of Economic Opportunity. The Cooperative Extension Service, which has done so much to bring technological progress to farming, is entering upon a new and important role in the drive to achieve parity of opportunity in rural America.

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We have established a new agency -- the Rural Community Development Service -- to bring a new emphasis into the work of the Department of Agriculture. The top priority of this new agency will be to help the other departments and agencies of the Federal Government to stretch the reach of their services all the way to the remotest rural settlement or homestead -- where all too often they have never reached at all before, or have offered less service to rural people than to those who live in urban areas. The Rural Community Development Service will help to plan and coordinate the programs of the entire Federal Government so that they will make a maximum contribution to the fullest development of all the resources -- both natural and human -- of the entire rural community.

In short, we are transforming the Department of Agriculture to fit the needs of rural America. We are not picking and choosing just those problems that are easy, familiar or traditional.

Someone has told me that since I took over as Secretary in 1961 the Department of Agriculture doesn't seem like the old place anymore. To me that was high praise -- whether it was meant to be or not.

It is clear to me that while each of us may yearn for the green spaces and quiet beauty and the independence which the countryside provides, it takes an urban income to enjoy that kind of rural living.

I see no reason that rural people should not enjoy parity of income with urban people.

I see no reason that those who want to stay in their home community should not have the opportunity to make a decent living there.

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I see no reason that education and health facilities should not be as adequate and available in rural areas as in cities -- or why credit should not be as readily available to the rural businessman as to his urban counterpart.

I see no reason that the rural family should not be able to get credit to build a home on terms as favorable as those available in cities or suburbs -- or that rural communities should not be able to supply the water and sanitary facilities which make for pleasant community life.

We are fully committed to do the job which President Johnson has outlined for us --

- to build a rural America that is strong and beautiful,

- to build a rural America of people who are healthy, well-educated and well-housed,

- to eliminate poverty,

- to build a rural society of boundless and expanding opportunity where every person, of whatever race or background or place of residence, can develop and employ his energy, his talent and his enterprise to the full extent of his ability.

With the help of people like you in Tennessee the job will be done.

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U.S. Department of Agriculture
Office of the Secretary

17, 1965 I am here to thank you, in behalf of your government and personally, for your willingness to help tear down old barriers in the path of equal opportunity throughout rural America and -- even more important -- for your willingness to help build new, wide, easily-traveled roads to equality in both the privileges and responsibilities of citizenship.

And I am here to make it clear, at the very beginning of your deliberations, that the Department of Agriculture is investing every essential resource in meeting its responsibilities under the Civil Rights Law of 1964 -- not only in terms of the letter of the law, but in terms of the spirit of it.

You are familiar, I know, with the Civil Rights Commission report on the policies and program operations on the U. S. Department of Agriculture in States with a high percentage of Negroes in their rural populations.

It was not a complimentary report. The sting of it was particularly sharp for those of us in the Department -- and we are many -- with long records of intellectual, political, and moral support civil rights.

When the report was made public I told administrators of all the Department agencies there were parts of it that could be debated with logic and justice. But with all the emphasis I could command, I said it would be the policy of this Department to accept it without a single protest, and act upon it in a positive manner.

Remarks by Secretary of Agriculture Orville L. Freeman during opening session of a two-day meeting of the Citizens Advisory Committee on Civil Rights to the U.S. Department of Agriculture, Monday, May 17, 1965, at 9:30 a.m. EDT, USDA Conference Room.

The basic truths in the whole of it are too important for anyone to be troubled by any inaccuracies in its parts.

I would be less than honest if I didn't confess I've squirmed a little in reading and hearing comments on the report which imply the Department of Agriculture invented segregation and discrimination. After all, the Department is only a hundred years old. Its sins are in the acceptance of a bad national pattern of human relationships, not in creating it.

But there is no future in arguing with history.

There is a bright and challenging future in creating it -- and that's where the abilities, authorities, and complete dedication of the U. S. Department of Agriculture are directed.

The Civil Rights Law of 1964 really isn't new. In substantial measure it simply adds more muscle and heart to what has been law since the ratification of the Bill of Rights in 1791.

The responsibilities of government agencies revolve primarily around its Title VI.

It is significant, I think, that Title VI is to be administered by the existing agencies of the Federal Government. There is no new administrative body with central authority for carrying out its provisions. Each agency is responsible for developing its own rules, regulations, and procedures for accomplishing the objectives of the Act.

The Department of Agriculture, as I said earlier, is striving to meet its responsibilities in terms of the spirit as well as the letter of the law.

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We shall measure our effectiveness not in terms of how we fare in the courts, but in terms of how we fare in the homes and the communities of the Nation in opening both the administration and the benefits of our programs to all citizens without regard to race or color or creed.

You will become familiar with the Department's directives and regulations implementing Title VI of the law.

We hope you will examine them in terms of compliance with the law. But we are anxious for you to go beyond that point, and examine them in the light of what should be and can be and must be accomplished by these directives and regulations.

The record shows progress in expanding opportunities for Negroes to participate in the policy-making and administrative activities of the Department of Agriculture at State and county levels.

The agency with programs involving more farmers than any other is the Agricultural Stabilization and Conservation Service, which administers the farm commodity price-support and supply management programs and the cost-sharing phase of individual farm conservation projects. The Secretary of Agriculture appoints members of State ASC Committees, and farmers elect County and Township Committees.

Negro members are now serving on State ASC Committees in Maryland, Mississippi, and Arkansas.

In the 11 Southern States, the Agricultural Stabilization and Conservation Service as of May 10 had 1,427 Negro employees -- 29 in State offices, 1,398 in county offices. One year ago they employed only 7. This employment is, for the most part, seasonal -- the workload in ASCS each year varies with the status of the crops.

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The Department's Forest Service has appointed three Negroes to serve as directors of Job Corps Camps. Of the 30 persons trained in Home Economics recently hired by the Farmers Home Administration to serve as assistant supervisors of county offices located in Poverty Program areas, 20 are Negroes.

In the Federal Extension Service, the educational arm of the Department of Agriculture, separate lines of administrative supervision and staff communication based on color are being eliminated. In addition, States with segregated county offices are negotiating with county governments and the General Services Administration of the Federal Government to obtain adequate space to house white and Negro agents together. The target date for completion of this step in integration is December 31, 1965. All Extension Service work plans developed during 1965 will be on an integrated basis. The previous practice in some States was to prepare separate plans for white and Negro clientele.

All States are discontinuing the practice of holding separate State, district and county staff conferences for white and Negro employees and adopting a policy of providing equal training opportunities on a non-segregated basis.

Participating in the 1965 4-H Club Conference held recently in Washington were 10 Negro youngsters, four American Indians, an Eskimo, five Spanish-Americans and four young people of Oriental background. In 1964 there was one Negro participant. Records of eligible 4-H Club members are being evaluated without regard to race, color or national origin in selecting boys and girls to participate in all national club events, including the National 4-H Club Congress in Chicago.

We are working to expand food distribution programs and moving vigorously against any inequities found in these programs, and in others administered in whole or in part by the Department of Agriculture.

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I make this report to you neither boastfully nor apologetically.

It is a beginning.

During the day you will have the opportunity to discuss each area of progress and promise in detail with administrators of the Department's agencies.

We are counting on your help to speed the tempo and the scope of accomplishments -- counting on your help to avoid the sterility of mere legalistic compliance with the Civil Rights Law.

You can only be free, a poet once said, when you cease to speak of freedom as a goal and a fulfillment.

When the Civil Rights Law can be repealed because no one needs it, then our Negro citizens and members of other minority groups will be truly free.

And so will the majority.

But meanwhile we have the need and, thankfully, the law.

The U. S. Department of Agriculture sincerely welcomes your help so that we can make the principles and goals of the law a living, dynamic, constructive part of today and a better tomorrow.

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When President Johnson speaks with the American people about the Great Society, he means a society responsive to the needs of people as consumers -- as consumers of food, housing, education, health services, recreation, beauty, culture and transportation.

The Great Society marks the end of the wars of attrition between haves and have-nots which have raged from the dawn of time.

It marks the end of an era in which one child could eat more only if another ate less...learn more only if another learned less.

It marks the end of an era in which one man could work only by under-bidding another for a job...live decently only if another occupied a shack...walk with dignity only by acquiring another's color.

The Great Society marks a new era -- the era of cooperation and abundance....abundance in opportunity and abundance in the essentials of good living....an era when we no longer need advance our own welfare at the expense of others, but rather can go forward much more rapidly by cooperating together.

Are we then really in it -- this new era of the Great Society? Not entirely. But the paths to it are being widened and smoothed for easier and faster movement. And this Conference is a part of that process.

Remarks of Secretary of Agriculture Orville L. Freeman before the 10th annual AFL-CIO National Conference on Community Services, Shoreham Hotel, Washington, D. C., 12:30 p.m. (EDT) Tuesday, May 18, 1965. X

I welcome the opportunity to discuss with you today the responsibility of all of us as consumers to speed our way to the Great Society by improving a system that feeds the American people better and cheaper than any other in the history of mankind.

First, however, I would appreciate a few minutes to review the role of government in the relationship between the producers and the consumers of food and fiber.

The government carries out policies and administers programs related to both groups, primarily through the United States Department of Agriculture.

Most consumers, I've found, are not familiar with the scope of the Department's services to them. Generally speaking, the USDA is identified in the public mind as an agency which helps farmers grow two blades of grass where only one grew before.

This identification is as out-of-date as horse and buggy transportation.

The Department of Agriculture provides more direct services for more consumers than any other department or agency of federal government. Two of every three dollars it spends go for services of primary benefit not to farmers as such, but rather to the general public.

You will recall that penicillin, when it was first introduced as the miracle medicine, cost many times what buyers spend for it now. The more efficient and economical production method that sharply reduced cost

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came from a USDA laboratory. The same can be said for the other wonder drugs. The Department's scientists are also responsible for a blood plasma extender, and other medicines.

Our concern with animal health is not based in desire to make pigs, calves, lambs and chickens happier. We fight animal diseases because some are communicable to people, and all are a threat to a pure and plentiful national food supply.

Consumers are represented by more than 5,000 employees who inspect for wholesomeness the meat and poultry moving into interstate commerce. The reason housewives in Los Angeles and Boston get identical quality in steaks graded "Choice" is because of grading standards established and endorsed by the Department of Agriculture.

Housewives can spend more time being citizens, and less time being cooks, because of convenience foods like frozen orange juice -- for which the USDA holds the patent -- and instant potatoes. They are the results of the Department's utilization research. Stretch cotton, non-shrink wool, and fabrics which resist fire have increased consumer comfort, convenience and safety -- and they also came from our laboratories.

The Department of Agriculture operates the world's biggest outdoor playground. The number of visitors to the National Forests is increasing at the rate of 10 percent each year, and is now approaching the 150 million-mark. And because publicly-owned lands are falling short of outdoor recreation space demands, the Department of Agriculture is encouraging farmers to make recreation one of their crops by providing technical advice and -- if needed -- development loans.

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The volume of the Department of Agriculture's outstanding loans exceeds that of the country's largest bank. These loans finance non-farm rural housing and community facilities, electric power and telephones, as well as farming activities.

Architects, builders, city planners and construction engineers as well as farmers use the soil maps provided by USDA's soil scientists. The Department has inventoried the nation's food and beverage resources for civil defense, and has trained and equipped monitoring crews which measure radioactivity in every county in the United States.

I could cite many other examples of the services provided to consumers by the Department of Agriculture, but let me spotlight just one more ~~that~~ is close to my heart.

It is the utilization of our food abundance to improve the quality of life for our children and low-income adults through School Lunch and Milk Programs, Direct Food Distribution Programs and the Food Stamp Plan.

One of the first actions taken by President John F. Kennedy after he had taken the oath of office was to direct the Secretary of Agriculture to get more and better foods moving into the homes of needy families. While President Kennedy was campaigning in West Virginia in 1960, he was shocked to find a nation which had its storehouses jammed with foods could only make limited amounts of cornmeal, lard, flour and dried milk -- with a value of just \$1.25 per person per month -- available to families without money to buy adequate diets.

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President Kennedy's first Executive Order tripled the number of food items included in the Direct Distribution Program. The four million persons receiving inadequate supplies in 1960 grew to seven million receiving a vastly more nutritious diet in 1961...so much improved, in fact, the value jumped from \$1.25 per person per month in 1960 to \$8.22 by 1964.

President Kennedy also approved an experimental Food Stamp Program through which families with inadequate incomes can use normal commercial distribution channels to acquire enough health-building foods. Now made permanent by the Congress as a part of President Johnson's War on Poverty, this is the system that not only answers the needs but respects the dignity of the underprivileged.

We're spending over \$700 million a year on the School Lunch Direct Distribution and Food Stamp Programs and reaching 40 million stomachs. That's a good, round, sound constructive subsidy -- and it is a consumer subsidy, not a farm subsidy.

In 1966 Food Stamp Program costs will rise to \$100 million, climbing from the present level of \$60 million. It is anticipated that School Lunch Program costs will go up by \$11 million, and Direct Food Distribution expenditures will be about \$13 million more than now.

That's how our food abundance is reaching those who cannot afford to pay for it, or pay for all they need.

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But what about the great majority of American consumers -- those who can pay?

We've never had it so good.

Food is the nation's biggest bargain. We're all working fewer hours to buy more of better quality foods than ever before in our history.

Food expenditures are taking only 18.5 percent of average family income. In 1950 food took a bite nearly 25 percent. Back in 1890 the families of our grandparents were spending 40 percent of their incomes for food. As recently as 1960 the figure was 20 percent compared with the current 18.5.

Buying a loaf of bread takes two to four times as much work in other countries as it does in the United States -- five minutes here as compared with 20 in Austria, 12 in France, 13 in West Germany and 16 minutes in Italy.

Buying a pound of beef sirloin shows a wider spread -- 30 minutes of work here, 133 in Austria, 155 in France, 63 in West Germany and 169 minutes in Italy.

A Russian works eight times longer than an American worker to buy a dozen eggs, 9 times longer for a pound of butter, and does 21 times as much work to buy a pound of sugar.

We're paying 72 percent more for medical care than we did in 1950, 52 percent more for professional services, 37 percent more for housing, and 38 percent more for transportation -- but we're paying the farmer 15 percent less for what he sells than we did in 1950..

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The price of bread is a good example.

The one-pound loaf of bread that cost 12.7 cents 15 years ago costs 21 cents now. But the farmer was paid 2.7 cents for the wheat that went into the 1950 loaf, and he's getting 2.7 cents for the wheat in the 1965 loaf.

Just as take-home pay is what concerns the worker in industry and business, so for the farmer it is what he receives in his market that determines his standard of living -- not what the consumer gives to the girl at the super-market checkout counter.

It is important and only fair that consideration of consumer problems in the food area also includes the producer. Here we do face a serious roadblock on the broad highway to the Great Society.

The very people who are contributing so much to this era of food abundance, the people on America's family farms, are not benefitting from it as in all fairness they should.

It is in the interest of consumers to support every effort that will give our farm families an opportunity to achieve parity of income with the rest of the society.

The per capita income of Americans on farms is less than two-thirds of that being realized by non-farm people -- about 63 percent.

Only about 400,000 farmers are earning as much per hour as skilled labor, while the great majority -- well over 2 million -- aren't earning as much as the national minimum wage of \$1.25 an hour. The family

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farm cannot long exist under those circumstances. We ought never to forget that it is the free-enterprise, commercial family farm system that brought about the era of food abundance and reasonable food prices.

If the family farm is permitted to die, and is replaced by a handful of factory farms, the consumer will find his costs skyrocketing. So it is timely, I believe, to say to the millions of Americans: "Consumers beware, lest you unwittingly permit the destruction of the family farm which has made it possible for you to eat better, at less cost, than any people in all the world's history."

Equality of income opportunity for the farmer is clearly an important consideration as we seek to insure food abundance at reasonable prices for consumers in the future. There are other reasons why this equality is important to consumers.

One is that the farmer is more than a skilled producer, he's a willing consumer when he has buying power. He is a good customer for the products and services provided by the working people in cities and towns. Farmers use five million tons of steel a year -- a third as much as the automotive industry. Farming uses more petroleum than any other industry. Farmers take six percent of the rubber consumed in the United States each year, and about four percent of the electric power. In addition to the \$29 billion they invest in farming operations each year, they spend another \$12 billion on family living.

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Since 1960, the net income of agriculture has increased by around a billion dollars a year. This improved farm income has been translated by economists into jobs for an additional 200,000 workers.

And, finally, consumers share with farmers an interest in maintaining the American tradition of fair play -- under which we insist that every American receive a decent standard of living in line with the value of his contributions to the well-being of the whole of the society.

The very nature of farming denies to the farmer the processes of collective bargaining that have benefitted other areas of the Nation's industrial, business, and professional life.

To gain any bargaining strength at all, the only business agent the farmer can use is his government. That government functions under majority rule, and the name of the majority that can determine the course of action of that government is consumers.

There are people in trouble on the land from which the food comes which feeds this Nation. They need more than your appreciation -- they need the understanding and help of consumers.

Legislation is pending before the Congress designed to keep the food pipelines between producer and consumer brimful at fair prices, while adding to the now-inadequate earning opportunities that prevail in agriculture.

These legislative proposals will doubtless get more consumer attention than prior farm price support bills, because the 1965 recommendations provide for reducing government subsidies by increasing returns

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to wheat and rice farmers in the marketplace. This might mean slight increases in retail costs of food made from the two commodities -- wheat and rice.

The average American family spends about \$1,400 a year for food. The wheat and price program proposals, if made effective, would increase the cost of these products at retail by about 3 cents per week per person, or about one-half of one percent of the average family's food bill.

Federal expenditures would be cut back by around \$125 million. Farm income would increase by about the same amount. The government savings could be moved into the War on Poverty, perhaps an accelerated expansion of the Food Stamp Plan.

You can be sure the traditional enemies of the farmer and of labor will be shouting the scare-words of bread-tax, rice-tax and inflation. And you can be sure that some who are shouting loudest were silent during the years when the price of bread was going up but the price paid the farmer for his wheat was standing still.

The best guarantee against inflation is abundance. And the way to guarantee continued abundance of food is to support measures that will enable the producer of it to share in the benefits of the Great Society.

For the consumers and producers of food, cooperation makes more sense than competition.

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24, 1965
U. S. Department of Agriculture
Office of the Secretary

Mr. Chairman, distinguished delegates of member governments, observers, representatives of international organizations, and visitors:

It is a very real pleasure to welcome you to this Twenty-Fourth Plenary Session of the International Cotton Advisory Committee.

We are happy indeed to once again have all of you as our guests. And I am particularly pleased and honored to bring you the following personal message from President Johnson:

"I extend cordial greetings to the delegates and observers attending the 24th Plenary Session of the International Cotton Advisory Committee and wish all of you a useful and pleasant sojourn in our country. We are highly honored to be host to the Annual Meeting of this distinguished international organization of cotton producing and consuming countries.

"The Annual Meetings of the International Cotton Advisory Committee are testimony to the worldwide interest in cotton and of the determination of producing and consuming countries alike to work together toward the solution of common problems. For over a quarter of a century, this Committee has served as an

Address of Welcome by Secretary Orville L. Freeman to the Twenty-Fourth Plenary Session of the International Cotton Advisory Committee, International Conference Suite, State Department, Washington, D. C., May 24, 1965, Noon (EDT).

effective international forum for discussion of problems and policies related to cotton. The current 24th Plenary Session will continue and maintain the Committee's tradition of excellence in advancing our knowledge and understanding in this field.

"Cotton faces today problems of great magnitude and scope which affect the lives and livelihood of millions of people throughout the world. World production of cotton has greatly exceeded consumption in the past several years. This world surplus, which has been accumulating mostly in the United States, despite stringent production controls in this country, is a problem of concern to the world cotton community as a whole. A common effort of the world cotton community will be required to restore a better balance between consumption and production of cotton in the world.

"It is for this reason that I was most gratified to learn of the excellent progress the Committee has made toward the development of a plan for international cotton research and promotion. I wish to congratulate the Committee on this constructive approach, and I assure you that the United States will cooperate fully with other interested countries in this worthy endeavor."

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I am glad to join our President in congratulating you on your efforts to organize an international promotion association. I understand your committee on promotion has agreed on a policy of financial support which will be recommended to the legislative bodies of the countries represented here. This is meaningful progress. The formation of such a promotion association would be representative of the fine spirit of cooperation that has existed in the ICAC over the years.

This is a good time of the year to visit Washington. We hope that you who have not done so before will be able to arrange to see the many points of interest in this area. You are most welcome at any time to visit in the Department of Agriculture, where you will find many persons engaged in a great variety of work. They will be glad to discuss their projects and procedures with you.

I hope that all of you will participate to the fullest extent in this important meeting. We also hope that the meeting will result in the formation of many new friendships and bind with stronger bonds the friendships that have been formed in the past.

Again may I say, we extend to all of you a cordial welcome and hope that your time here will be spent both pleasantly and profitably.

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Office of the Secretary

25, 1965 Mr. Rockefeller, fellow members of the Recreation Advisory
Council, and conferees:

The White House Conference on Natural Beauty is an appropriate place for an open meeting of the Recreation Advisory Council, and before beginning the question-answer session I wish to report to you on why the Council was established, how it functions, its accomplishments in its first three years, and its objectives.

First, it is a privilege to present my fellow Council members:

Secretary of the Interior Stewart L. Udall.

Secretary of Health, Education and Welfare Anthony J.

Celebrezze.

Housing and Home Finance Agency Administrator Robert C. Weaver.

The delegate for the Secretary of Defense, Assistant Secretary for Manpower Norman S. Paul.

Secretary of Commerce John T. Connor.

And, the Chairman of the Tennessee Valley Authority, Aubrey J. Wagner.

I wish to present, also, Dr. Edward C. Crafts, Chairman of the Council's Staff.

Statement by Orville L. Freeman, Secretary of Agriculture and Chairman of the Recreation Advisory Council, at the open meeting of the Council May 25, 1965, before the President's White House Conference on Natural Beauty.

The Recreation Advisory Council was established in response to a recommendation made by the Outdoor Recreation Resources Commission. Upon finding there are approximately 50 Federal agencies with responsibilities and activities related to outdoor recreation, the Commission--under the leadership of Laurance S. Rockefeller--wisely recognized the need to give balance and direction to all Federal activities influencing enjoyment of the outdoors, and the need to provide for maximum coordination of these activities. So it has become the function of the Council to serve as a balance wheel, a direction-finder, a coordinator.

Each Department represented on the Council has specific, primary assignments for which it is responsible to the Congress and the President. Yet, in carrying out basic missions, each Department becomes involved in one or more aspects of outdoor recreation and--simultaneously--natural beauty.

The Department of Agriculture's primary responsibility rests in the agricultural economy and the related consumer protections, yet its activities in these areas involve resource conservation and land management, watershed protection and tree plantings, and rural development efforts that contribute to expanded outdoor recreation opportunities. Closely associated with recreation and beauty on public lands is the Department's Forest Service, while its Soil Conservation Service has a similar role related to private lands.

The Tennessee Valley Authority is recognized as a source of electric power and fertilizers, yet its influence on the recreational resources and beauty of the landscape in its region is almost beyond measurement.

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Access to outdoor recreation and natural beauty are aspects of Department of Commerce public roads policy that range far beyond the commercial and convenience aspects of highway construction.

The Department of Defense, through the Corps of Army Engineers, adds to our recreational resources and influences restoration and maintenance of natural beauty through the development of reservoirs which have the basic purpose of preventing floods and creating electric power.

The Housing and Home Finance Agency is concerned with the environment of housing as well as the quality of homes, and expresses this concern in the planning and preservation of open spaces in development areas.

The Department of Health, Education and Welfare, by battling pollution of water and air, makes what we see prettier in making what we drink and breathe more pure.

And no agency of Federal government is more intimately identified with recreation and natural beauty on a day-to-day operating basis than the Department of the Interior.

And so it goes--across the entire range of Departmental responsibilities. Each Department, while carrying out its primary function, has roles related to outdoor recreation and the beauty of our environment. These roles, representing an integral part of their on-going programs, are not the type that can be scooped up into a single shovel and poured into a new agency of government.

The idea of creating a Czar of Natural Beauty and Outdoor Life has academic attraction but--in my judgment--is neither practically nor

politically feasible. Yet, it is obvious that coordinated planning, performance and direction among Federal agencies--and between Federal and State governments--is vital to the immediate and long-range goals of this Conference and our nation.

As a practical matter, we need to find increasingly better means through which each can supplement--even accelerate--efforts of the others in the field of beauty and outdoor recreation, while at the same time recognizing that each great Department must respond to its assignments as established by Congress.

The Recreation Advisory Council was established with that purpose in mind. Whether it is meeting the purpose, whether it needs strengthening in policy and performance, are topics this Conference may well wish to take under consideration.

Let us take a look at the record. It contains, I believe, some positive and progressive chapters.

The Recreation Advisory Council has:

1. Adopted a policy statement calling for the establishment of a limited number of National Recreation Areas. Binding upon member agencies, this policy specified criteria for selection of these areas and agreed they would be established only by Act of Congress. The Council further agreed to consider individual proposals, and to recommend appropriate action for establishment, priority, and jurisdictional responsibility.

2. The Council has adopted general policy guidelines for outdoor recreation which give high priority to preparation of a nationwide plan and cover the Council's views of the roles of Federal, State and local governments and the private sector.

3. The Council has issued a policy statement on the water pollution and public health aspects of outdoor recreation.

4. It has recommended development of a national program for scenic roads and parkways.

The Recreation Advisory Council has served as a useful forum for airing and adjusting overlapping and conflicting jurisdictional problems.

1. In line with a recommendation made by the Bureau of Outdoor Recreation, the Council was instrumental in bringing about an agreement on which of two Federal agencies would administer the recreation development of Federal lands surrounding the Allegheny Reservoir in western Pennsylvania. This action provides a precedent for resolving similar situations in the future.

2. The Council considered and concurred in recommendations subsequently made to the President by Secretary Udall and myself related to establishment of the Oregon Dunes National Seashore and establishment of the Whiskeytown-Shasta Trinity and Flaming Gorge National Recreation Areas; and our recommendation that there be joint examination of Federal lands in the North Cascade Mountains in Washington.

3. The Council also played an important part in implementation of the Land and Water Conservation Fund Act. It has taken three actions: (a) It submitted to the President the Executive Order, which the President subsequently issued, to permit implementation of the Act; (b) It reviewed and concurred in the standards for recreation user fees which were subsequently issued by regulation of the Secretary of Interior; and

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(c) It adopted the standard definition of visitor day for reporting recreation use, needed in connection with the allocation of funds for Federal projects under the Act.

4. Further, the Recreation Advisory Council serves as a forum where coordination measures can be reviewed before they are made effective.

In addition, the following achievements merit attention:

1. Since the Council's policy statement, Congress has established the Lake Mead National Recreation Area and Fire Island National Seashore. Establishment of several other national recreation areas is pending. Congress is giving appropriate consideration to the criteria recommended by the Council.

2. In connection with the Federal Water Project Recreation Act, which has passed the Senate and is pending in the House, the House Committee Report directs that definitions approved by the Recreation Advisory Council shall be followed in determining which areas are appropriate for Federal administration under that Act.

3. The Council's recommendation on development of a national program for scenic roads and parkways is now underway in the Department of Commerce. Completion is expected this summer and it will cover criteria for selection, relative priorities, methods of financing and--probably--legislative proposals.

The Council now has four important studies in progress which will likely result in policy recommendations. They involve:

1. Procedures for measuring recreation use on Federal lands;

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2. More detailed recommendations on the role of the private sector in providing outdoor recreation;

3. Non-Federal management of recreational facilities on Federal lands and waters; and,

4. Land management responsibilities of Federal agencies at Land and Water Resource projects.

Let me conclude with these observations:

There is a close relationship between the development of outdoor recreation resources and the program outlined by President Johnson in his Natural Beauty Message. I believe the Executive Order establishing the Council gives it implicit duties with respect to natural beauty just as it gives explicit duties in outdoor recreation. If there is any question on this score, the Executive Order should be clarified.

Like any advisory group, the Recreation Advisory Council has its problems--including effective participation by principals, financing, staff services, and gaining acceptance and utilization of its recommendations.

Too, it must establish good relationships with related Councils, including the Water Resources Council that would be established by pending legislation now in Conference after passing both House and Senate.

The Council has under consideration the creation of a Blue Ribbon Citizen Advisory Committee.

The task before us, if for no other reason than it involves varying jurisdictions--public and private, Federal and state and local--is monumental. At the same time, it represents a truly inspiring challenge.

Recommendations of this Conference on how to increase the Council's effectiveness in responding to the challenge will be gratefully received.

Now, let us respond to questions of the Panel Chairmen and--
it time permits--we shall entertain questions from the other conferees.

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U. S. Department of Agriculture
Office of the SecretaryWhen I met with you six months ago, I observed that the Department of
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Agriculture, by direction of the President of the United States, was undergoing another historic transformation--a transformation as broad in its implications as that of the crisis days of the 30's, when the Department came out of the laboratories and colleges to grapple with the pressing day-to-day farm problems of supply and demand, price and income.

I said its role was being broadened from that of a department concerned with agriculture as an industry to one concerned with rural America as an element of our national society.

I observed also that, in order to serve the needs of rural America as a whole -- both its farm and its non-farm segments -- we were going to have to place relatively less emphasis upon what we can do ourselves through our own programs and relatively more emphasis upon how we can help other agencies and other programs bring their benefits to rural America.

In the six months since that time, much has happened.

For the first time in history, a President of the United States, in sending a message on agriculture to the Congress, devoted as much space and attention to what some of us call Rural Areas Development and others call the "people programs" of this Department as he devoted to the traditional topics of commodity prices and farm income. Indeed, for purposes of emphasis, he discussed RAD first -- under the heading, "Parity of Opportunity for Rural America".

Remarks of Secretary of Agriculture Orville L. Freeman before the National Advisory Committee on Rural Areas Development, Administration Building, U. S. Department of Agriculture, 9:15 a.m. (EDT) Wednesday, May 26, 1965.

In that message, dated February 4, the President discussed at some length the difficulties encountered in providing parity of access for rural people to the benefits of Federal programs. And he issued some directives.

He instructed the head of every Department and agency to see to it that the benefits of its programs were distributed equitably as between urban and rural areas.

He instructed the Director of the Budget and me, working with each agency, to find out what administrative obstacles might stand in the way of such equitable distribution, and take or propose steps to get those obstacles removed.

And he instructed me to put the facilities of all of our field offices at the disposal of the whole Federal Government to assist other agencies in getting their programs into rural areas.

This we are now organizing to do. We are finding it a big order. We are finding that it involves complex and sophisticated relationships with other departments and agencies, both in Washington and in the field, that have to be worked out on a case by case basis. But the objective is clear, and necessary, And we are proceeding.

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To take the lead in this whole effort, which we refer to as the "outreach" function of this Department on behalf of other departments and agencies, we have created a new Service -- the Rural Community Development Service -- headed by Mr. Robert G. Lewis. He reports to your chairman, Assistant Secretary John A. Baker, and he has as his deputy your old friend and co-worker Turley Mace.

We are also assigning some new duties to the Federal Extension Service, supported by additional funds included in the budget which the House of Representatives will, we hope, approve this afternoon. And our newly-broadened mission will involve almost every other agency of the Department, particularly those agencies which have field offices in rural counties and our research agencies.

Let me illustrate the opportunity gap between urban and rural areas by reference to a single field of Federal activity -- housing. The proportion of substandard and deteriorating housing is twice as high in rural America as in our metropolitan areas. Almost half the people who live in bad housing in this country are rural people, although they comprise only 30 percent of the population. Yet, despite this heavy concentration of need in the rural areas, the Federal Government since 1950 through the Federal Housing Administration insurance programs alone has helped to build more than three dozen new houses in the cities and their suburbs for each single one that has been built with the assistance of the Farmers Home Administration in rural communities.

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Similar disparities in service, although not to the same degree, can be found all across the broad range of Federal programs designed to help people to cope with problems. They are found in education, in vocational training, in employment counseling, in youth employment, in health services, in community facilities, in industrial development, in anti-poverty programs and many others.

Now, why is this?

First of all, let me emphasize that it is not the result of any lack of interest or sympathy on the part of Federal agencies. They sincerely want to extend their services into rural areas, and most of them have paid us a visit at one time or another to seek our advice as to how they can do it. What they have lacked is the administrative means of communicating with and dealing with every one of the tens of thousands of rural communities which must take the initiative to obtain the benefits of the programs these agencies administer.

Remember that Federal agencies cannot and do not impose their programs on the local communities. The communities must (1) learn about the program, (2) decide locally how they can make use of it, and (3) submit an application in a form that can be considered by the agency.

This may all sound very simple. But in fact, when you consider how fragmented is rural America among a myriad of separate, scattered, often tiny communities, you find the problem is enormously complex. To acquaint rural leadership all over America with the specific benefits available in the numerous and constantly-changing Federal programs is a gigantic job of communication. And to work with each one of them in deciding how they can apply those programs is-- and you will forgive me if I continue to reel off adjectives like a copywriter for the movie industry--a colossal task of technical assistance.

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Obviously, each agency cannot have an office in every rural county. So how do Federal agencies, as a group, extend their programs into rural areas? The answer, as the President's message makes clear, is that the Department of Agriculture, which does have one or more offices in every rural county, must somehow help the other agencies attain the "outreach" which, singly and separately, they cannot hope to attain.

The central responsibility for coordinating the entire "outreach" function of our Department on behalf of the Government as a whole has been assigned to the Rural Community Development Service.

Through systematic and continuous consultation, RCDS and each Federal agency administering a service needed by rural people will define those services that are applicable to rural problems. Through this process of communication, the two agencies will determine the specific steps that need to be taken in the field to assure rural people fully equal access to those services available broadly through the Government. These steps, insofar as the USDA is concerned, might amount to no more than furnishing information about what service is available and how and where to apply. Or they might extend to providing technical assistance in the preparation and submission of applications, and might even include completion of the preliminary stages of processing applications originating in rural areas.

Based on an analysis of the nature of the service and the particular obstacles that stand in the way of its extension to rural areas, RCDS would determine the most suitable administrative means for the USDA to assist the agency concerned to extend its "outreach". For example, in the case of lending programs, it might be the Farmers Home Administration, as the Department's general-purpose

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lending agency, which would be assigned by the Secretary to take responsibility. In other cases, SCS or ASCS might participate.

The "outreach" task of the Rural Community Development Service will be closely linked to its responsibility for providing leadership within the Department of Agriculture in the planning and coordination of Department programs so as to promote comprehensive development of the human and other resources of rural communities.

Our aim is to provide "one-stop service" to rural people who are seeking help from their Federal government.

Our goal is to make available to any rural resident or community leader, through the regular USDA channels right in his home county, full and explicit information about any program of the Federal government for which he is eligible, together with whatever assistance he needs in order to assure that his application for services will receive fully equal consideration with that accorded to other citizens.

"One-stop service" to the rural citizen and community leader will mean that the Department of Agriculture will take the responsibility for determining what Federal service is available to help him cope with his problem, and advising him of the procedure that is necessary in order for his application to receive fair consideration. In this way, USDA will provide for the rural citizen and community leader the kind of professional assistance in coping with "government red tape" that urban citizens and urban community leaders usually can obtain through their paid staffs of specialists and experts.

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Creation of RCDS also enlarges the Department's capability to plan for better coordinated, more closely integrated, and more comprehensive solutions to the problems of rural residents and rural communities. We contemplate the development, under the planning leadership of RCDS, of "program packages" which will combine services originating from the various agencies of USDA as well as other branches of the Federal Government in such a way as to deal in a comprehensive manner with problems of the rural citizen or the rural community.

Through coordination, the various services and programs will reinforce each other, thereby multiplying the total effect beyond what could be expected from the same efforts if they were made in isolation from one another.

Bob Lewis will undoubtedly want to outline some of his thinking on "program packages" when he talks with you later.

I want to emphasize that the Department of Agriculture will in no way intrude upon the responsibility and authority of the other agencies of the Government to carry out their programs in accordance with law and their own administrative discretion. The role of the Department of Agriculture is one of service -- responding, as I suggested earlier, to the need repeatedly expressed by those agencies for just such a service.

What I have described as our new "outreach" function is a logical extension of what we have been doing for a long time, and particularly since the beginning of Rural Areas Development. We have distributed information and conducted educational activities in rural areas about the programs and services available from other agencies of the Federal Government as well as State Governments, Land-Grant Colleges, and other institutions. The element that is new in the present "outreach" effort is that, for the first time, the Department

of Agriculture will undertake systematically through the Rural Community Development Service to cooperate closely on a day-to-day basis with other agencies of the Federal Government in carrying out their official responsibilities and administrative duties in rural communities, instead of simply providing information to the public.

The Extension Service has been the principal means through which information and education about government services has been channeled into rural communities. When Rural Areas Development was initiated, the Extension Service was assigned the role of organizational and educational leadership. It has rendered invaluable service in working with local communities to get strong, effective RAD committees established, and working with those committees in preparing Overall Economic Development Programs and initiating projects under ARA and other Federal acts.

We envisage a continuously more important role for the Extension Service in organizational and educational leadership -- in the whole process of establishing effective communication between Washington and rural America. Lloyd Davis is undertaking to keep the State Extension Services more systematically informed than ever before on the laws, regulations, and policies governing Federal assistance programs, and the State Extension Services are assuming more and more responsibility for educational activity in rural areas on behalf of all Federal programs -- not just those of the Department of Agriculture.

In order to provide the Extension Service with more resources for this specific purpose, the 1966 budget contains funds which would permit the Federal Extension Service to enter into contracts for the employment by the State Extension Services of district agents who would serve Federal programs under direct Federal guidance.

The role of the Extension Service in maintaining a communications channel to rural communities is not an exclusive one. The job is so big that we need everybody in the act that we can get. This includes our Office of Information, working with the media, and the Rural Community Development Service, the Farmers Home Administration, the Soil Conservation Service, and the Agricultural Stabilization and Conservation Service, working through the Technical Action Panels in the States and counties.

This has been a general description of how we are approaching the "outreach" function which the President has assigned to us. I will close on a note of caution -- that the increased funds in the budget for the Rural Community Development Service and for the Extension Service will permit us to operate, during the coming year, on not much more than a trial basis, and with operations in the field restricted to a small number of States.

But I am sure that we are moving in the right direction -- in a direction that will lead to the "parity of opportunity for rural people" that President Johnson has set before us as a goal.

I hope that during your sessions here you will analyze the approach I have outlined and give us your considered advice as to how we can best proceed.

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May 25, 1965
It is certainly no secret that I am proud of American
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agriculture. I want every American to share that feeling of pride.

Each year the American people enjoy a greater abundance of food of higher quality and at lower real cost than ever before. That abundance has contributed to our strength...and to the welfare of people throughout the world.

Almost daily I am visited by delegations from countries all over the world. Without exception, regardless of political persuasion or the area of the world they represent, all of them express their respect -- and amazement -- at the marvel of American agriculture. They find it hard to believe that fewer than 8 percent of the American people can produce more food and fiber than we can use or even sell and share abroad.

President Johnson, I know, has great pride in our agriculture. He has said:

"Progress in every aspect of our Nation's life depends on the abundant harvest of our fields. Because our people eat better, at less cost, than any other people in all the world's history, we can spend our earnings for the many other things which make life rewarding."

Address by Secretary of Agriculture Orville L. Freeman at a dinner meeting jointly sponsored by the Chamber of Commerce of the New Orleans Area and the Federal Business Association, New Orleans, Louisiana, at 7:00 p.m., CST, May 28, 1965.

Why American agriculture is so successful is no secret. Our system of agriculture is based on the American family farm. No other system provides the incentive for innovation and enterprise as does the family farm. An immense industrial complex employing millions of persons to make and distribute nearly \$30 billion worth of equipment, fertilizer, chemicals and all the other products used in farming has been built around the American family farm.

Similarly, in order to move the abundance of food and fiber to the consumer, a processing and manufacturing complex which distributes over \$100 billion worth of essential consumer products each year has been developed around American agriculture.

While only one out of every 14 people today is a farmer, a great many more Americans depend on his productivity and his energy for the paycheck they draw.

Here in New Orleans, for example, over 30 percent of the Nation's grain exports leave for world markets each year -- and this is more than twice the volume of grain exports handled by any other port. Together with Baton Rouge, this area accounts for over a third of the grain we export.

Prosperity in agriculture means prosperity in business and industry, and New Orleans is a good example of that fact.

My job as Secretary of Agriculture is to insure to the best of my abilities that the strength of this partnership in prosperity between agriculture and industry and commerce is never diminished. And that is the reason I am here in New Orleans.

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I am midway in an all-too-brief tour of a number of the research installations maintained by the Department. I am making this inspection because I am keenly aware that research is another essential ingredient in the success of American agriculture.

The productivity of American agriculture is a continual challenge to our scientific ability. While agriculture is successful today, we cannot assume that it will be equally successful in the future. Vast new areas of knowledge need to be tapped if we are to continue to move ahead.

The seeds which produce our crops today will likely be susceptible to disease in another decade or two. So we must constantly develop new and better seeds. As consumer needs change, we must develop food and fiber products which will meet these new appetites and desires. These are only two of the many jobs that research must perform.

Earlier today, our group visited the Southern Utilization Research Laboratory. There, we saw striking examples of the kind of consumer-oriented research that is so important to agriculture. The new finishes for cotton fabrics and the new foods we saw are the latest in a long line of innovations that have made life a little more comfortable and healthful, a little more satisfying and enjoyable for our people.

I was very much interested in the single chemical treatment that gives cotton its desirable wash-wear characteristics and, at the same time, permits the use of attractive and inexpensive dyes.

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We saw a yet-experimental process that removes most of the oil and calories from peanuts without affecting their flavor or protein. This new process can apparently be applied to other nuts as well. This new technique should go a long way in helping to open up markets for peanuts, particularly in this era of emphasis on low-calorie diets.

I was also interested in the methods for producing sweetpotato flakes and cottonseed flour. The flakes are helping to bring back our old markets for sweetpotatoes. And an acceptable flour that is rich in protein could play a major role in feeding people in the developing nations of the world.

I was particularly impressed by the basic research efforts now underway to isolate pure seed proteins and study their chemical and physical properties. This work, by Dr. Altschul, could result in a much better understanding of the process of plant growth than we have now.

The work that I saw today at the Southern laboratory is part of a larger nationwide effort in utilization research and development. The major share of this research is done in four regional laboratories -- a fifth to be added soon -- and ten field stations throughout the country. Some is done under contract by State agricultural stations, universities, and industry. And some is done in the research institutions of twenty countries in Europe, Asia, South America, and Australia, with funds generated by the Public Law 480 program.

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This research pays dividends to the entire economy. Consumers have more desirable or more varied products. Overseas markets are more adequately supplied. Producers and processors have additional sources of income, and agricultural resources are more effectively utilized.

We take a hard, practical approach in this work. We recognize that the most obvious uses for farm products were exploited long ago.

We also know that developing a technically possible process is only the beginning. The process must then meet the tests of economics and practicality. And the resulting end product must fill a real need of industry or consumers and be able to compete with alternate products on the market. Our goals are not met if we merely shift markets from one abundant commodity to another.

The success of this research indicates these conditions are not impossible to meet. There are many examples:

-- Convenience foods have revolutionized our eating habits. You know them all -- frozen vegetables, fruits, and whole meals; potato flakes and granules; powdered eggs and milk; cake mixes; and the frozen orange juice concentrate that was developed here in the South with the Florida Citrus Commission.

-- Washable, shrink-proof wools that keep their softness, and improved cottons, have been received enthusiastically by consumers.

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The cottons were developed in the Southern laboratory here in New Orleans. Besides the wash-wear fabrics, there are also cottons that resist soiling, wrinkling, fire, rot, water, weather, and mildew; and cottons that can be molded and others that are resilient and stretchable.

-- Techniques for mass production of penicillin developed in the USDA laboratory at Peoria, Illinois, made this drug, and subsequently other wonder drugs, widely available for treating diseases. The benefits to people can't be measured. For agriculture, it made possible confinement-rearing of poultry and other livestock. One result was an expansion of broiler production from a \$50 million industry to a \$1 billion industry in about 20 years.

-- Methods for producing dextran have made it available as an extender for blood plasma.

-- Improved technology for processing soybeans has been used so effectively by industry that today, they are a major source of vegetable oils for food and industrial use.

-- About a million pounds of starch are being produced from corn each year by a process developed through utilization research. This is a specialized type of cornstarch used mainly to add strength to paper toweling.

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-- Another product from grain, called cereal xanthate, has potential use in the manufacture of insulation board, corrugated boxes, and paper. There is a potential market for 100 million bushels of grain a year for this product in the paper industry.

-- A new linseed oil paint that is water soluble is beginning to compete successfully with the synthetic paints which have taken much of the traditional market of our flaxseed producers. I understand linseed oil may gain a share of the sizeable market for coatings to protect concrete.

-- Surplus animal fats are moving into industrial outlets as plastics and plasticizers for use in raincoats, seat covers, paper coatings, waxes, and other applications.

This is an outstanding record of keeping agricultural raw materials competitive in this specialized age. But much remains to be done. There are too many problems to be solved...too many questions that remain unanswered...for us to do other than continue to work and to invest to make our utilization research even more effective.

As an example:

Everyone is concerned about the quality of food and feed. Only a short time ago, toxins were shown to be positively identified with certain moldy agricultural commodities. Needless to say, both the Department of Agriculture and industry are deeply concerned about this

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problem. Both want to protect consumers from possible hazards by keeping our stored commodities free of any kind of contamination.

Our people at the Southern Utilization Laboratory are hard at work to learn how to prevent their growth, or to remove them as a source of contamination.

This is a relatively new problem -- one that couldn't have been foreseen despite our best efforts. The point is -- such unforeseen problems are a normal part of problem-solving in research. Any scientist will tell you that as he resolves one difficulty, the door opens just wide enough for him to see many more. He has learned enough to ask the questions he couldn't have asked before.

Utilization research also has a prominent part to play in agricultural exports. Products must be tailored to the needs of foreign consumers, at a price they can pay, and stable enough to withstand shipping and storage.

The parboiled wheat product, bulgur, meets these criteria. Before long, we hope to achieve substantial dollar markets abroad for this nutritious food.

Utilization research has created a market in Japan for five million bushels of soybeans annually for use in traditional Japanese foods. This specialized market did not exist a few years ago. Actually, until about 20 years ago, the United States had no significant share of the world soybean market. Now our soybean exports are valued at more than \$700 million annually.

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American farm exports are of prime importance to our agricultural and business communities, and in the future will be even more so. Last year we shipped to other countries the harvest from one out of every four acres of our cropland. We sent abroad two-thirds of our wheat, nearly two-thirds of our rice, almost half of our soybeans, a third of our cotton, and about a fourth of our tobacco.

Our agricultural exports topped the \$6 billion mark last year, a solid contribution to easing our difficult balance of payments problem.

I am convinced this figure can go much higher, but only if our products are good and if they are needed. The job of utilization research is to help make certain they meet these standards.

I have a great deal of confidence in the ability of our nationwide agricultural research effort to help solve some of the serious difficulties faced by important agricultural commodities.

Here in the South, research is helping cotton in its uphill battle to retain markets invaded by synthetic fibers. Each year, growers use new knowledge to cut corners ... to knock a few cents off the costs of planting, harvesting, and handling. As the domestic and world economies grow more complex and competition becomes stronger and more exacting, growers will depend increasingly on the help of research to maintain a competitive edge in cotton.

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The same is true of the South's new livestock economy, which has helped so much to make the area self-sufficient and diversified. This new industry has been made possible by the development of grasses and legumes and cattle specially adapted to the hot and humid regions of the area. It will prosper only as research continues to provide the knowledge necessary to meet the continuing problems.

Most of us here today have lived through several decades of the most profound change the world has ever seen in such a short period of time. But scientists tell us that the most revolutionary changes are still ahead and cannot even be predicted.

Research is the instant reflex we must have to build the Great Society that President Johnson holds before us as a challenge and a dream that can be realized.

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U. S. Department of Agriculture
Office of the Secretary

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29, 1965
The hospitality that Texans have made famous is enough to make this a day to remember. Most memorable of all, however, is the opportunity to meet here with the Secretary of Agriculture and Livestock of Mexico, Juan Gil Preciado.

I am sure that under his guidance, Mexico will continue to make great progress in animal health and the other agricultural fields in which she has already accomplished so much.

The Secretary's appointment to his present post climaxed a distinguished career in agricultural education and in politics. In our Department, we remember him most for his part in the dramatic campaign of the 1940's and '50's when our two countries eradicated aftosa -- foot-and-mouth disease. His energy, his efficiency, and his warmth made him many friends among our scientists.

We have enjoyed splendid relations with our next-door neighbor in many other cooperative undertakings. We are especially happy that Secretary Gil Preciado is the man we will be working with to achieve our common ends -- a healthy agriculture for North America.

The task of achieving and maintaining a healthy agriculture, both in North America and throughout the world, consists of many parts. The Secretary and I have witnessed one of these essential parts here today in the control and eradication of pests.

Address prepared for delivery by Secretary of Agriculture Orville L. Freeman at Mission, Texas, at 2:30 p.m. CST, May 29, 1965.

A healthy agriculture requires that man control the pests and diseases that prey upon it. We must control them safely, and we must learn to do an even better job if tomorrow's hungry people are to be fed.

These are the things I want to talk briefly about today.

Until man turned to research, the control and eradication of pests was a losing game. Without the scientists, there could be no cooperative programs in control and regulation of pests.

This is one reason why I have spent a good deal of time in the past few days inspecting the work of the USDA's agricultural research. I want to know more than I know, and to meet with and talk to some of the people who are leading our race for the tools of abundance.

This morning, however, was the first time I've had to change clothes twice and take a bath in order to find out what's going on.

It was worth the trouble.

I have been through the world's largest insect nursery. It was a unique experience. Never before in the long history of man have so many insects been raised artificially. Until now, in fact, the very last thing man has wanted to do was to raise more insects.

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One new concept -- the sterility principle of pest control -- has changed all this. It is one of the few truly original scientific ideas of this century. And, like most revolutionary ideas, it is very simple.

Eliminate the ability of pests to reproduce ... let them mate with others of their species .. and their failure to reproduce will eventually annihilate their own kind from all the areas they saturate.

That's all.

Nearly a quarter of a century passed, however, between the concept and the practical application of this idea -- an idea that a Texan originated in Texas.

The man is Edward F. Knipling who was born at Port Lavaca and educated at Texas A. and M. College. While he was doing research on screwworm control for the U. S. Department of Agriculture up at Kerrville, in the early 1930's, he originated the sterility principle. His idea received nothing but discouragement; it was utterly visionary and impractical, most people said. And it was. Then.

It was the atom that made the idea work. Atomic radiation furnished a means of sterilizing flies wholesale .. and an idea became a practical new instrument in man's quest for abundance.

The total cost of seven years of research on the sterility principle was \$250,000. It's one of the best investments ever made in agricultural research. I guess there's no way of measuring the suffering

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that screwworms once inflicted on livestock and wildlife. Or the years of stockmen's lives that went into treating and preventing screwworm infestations in their animals. But we do figure that screwworm eradication is saving the livestock industry about \$20 million a year in the Southeast and more than \$60 million a year here in the Southwest. And we can't even speculate on what future applications of this principle may accomplish.

In putting this research to work, our specialists in animal disease eradication have pioneered in many areas. For one thing, they have made screwworm eradication an outstanding example of the peaceful use of atomic energy. And in getting the programs airborne, they have solved some of the most staggering biological and engineering problems that our Department has ever faced.

The sterility method was used to eradicate screwworms from the Dutch island of Curacao in 1954 and from the southeastern United States in 1959.

The eradication of this costly livestock pest from the Southwest was infinitely more complex. For example, the fly would never have been pushed down below the International Border without the splendid cooperation we have enjoyed with our partners from the Republic of Mexico. And here in the Southwest, livestock producers and sportsmen of five States took the lead. Through the Southwest Animal Health Research Foundation, they reached down in their pockets and raised money to match the Federal funds. The State of Texas supported the program. Extension services, teachers and students of vocational agriculture, regulatory agencies, and many other public and private groups did their part.

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Work began in February of 1962, and two years later the co-operators were able to announce that self-sustaining populations of the screwworm had been eradicated all the way west to Arizona.

Since we no longer have native-born screwworms in the eradication area, the program east of Arizona has become one of protection against reinfestation. We now need to find the most economical way to maintain a living barrier of sterile flies to the south of us.

This barrier protects not only livestock, but wildlife as well. Right here in Hidalgo County, I am told, deer numbers increased 60 percent last year.

I understand, though, that a ranchman who leases his land for hunting can get more for a pound of venison on the hoof than he can for a pound of beef. This is, I am sure, a welcome dividend both for the farmer and the sportsmen.

This self-eradication method has enormous promise for people throughout the world. It helped wipe out the melon fly on the isolated Pacific island of Rota and the oriental fruitfly on Guam. It is used along the California-Mexico border against the Mexican fruitfly. Researchers in Egypt, Israel, and Central America are exploring possibilities of using the method against the Mediterranean fruitfly. And in the Caribbean, on Grand Turk Island, our entomologists are testing the sterility method against houseflies.

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In Africa, researchers are studying the possibility of sterilizing tsetse flies to control one of the world's worst disease-spreading insects. These flies spread sleeping sickness in humans, and disease in livestock, over African areas larger than the United States. If tsetse flies could be eradicated from many of these areas -- and that's a mighty big "if" -- millions of acres might be freed of one of the most formidable obstacles to livestock production. These areas could then help to supply the protein so scarce in those areas.

Control of pests is an essential task if the American people are to continue to enjoy their present high standard of living....and if the age of abundance is to be enjoyed by all of mankind. If the tools we have today for this work had not been developed -- the chemical, biological, environmental and others -- the consequence would be catastrophic. Many of the foods we consider to be commonplace would be expensive luxuries, and some would not be available at all. The cost of food would likely be much higher -- perhaps as much as a third more costly.

The value of pest control should never be underestimated, nor taken for granted. At the same time, however, the methods we use to control pests must always carefully consider the health and well-being of people who use either pesticides or the products protected by their use, and also the protection of fish, wildlife, soil, air and water from pesticide pollution.

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It should not be overlooked that to protect human health often requires the intelligent use....the safe use....of pesticides. This was dramatically illustrated in Houston last August when that city was battling an outbreak of encephalitis. Insecticides helped to destroy the disease carrying mosquito and their breeding grounds.

We use -- and encourage others to use -- those effective means of pest control that provide the least potential hazard to man and animals. When residual pesticides must be used, they should be applied sparingly, precisely, and only as often as is absolutely necessary. We urge that all users of pesticides exercise constant vigilance to assure the protection of human health by avoiding unnecessary exposure of crops, livestock, fish, and wildlife.

Further, the search for new ways to control pests without the use of chemicals -- or with a minimum use of such materials -- is one of our greatest research efforts today. The development of the sterility method of pest control shows this kind of research has been carried on for many years. And last year the Congress appropriated an additional \$28 million primarily for this purpose. We have developed many highly imaginative means for dealing with pests, such as combining a small amount of pesticide with an attractant to selectively control pests; and we are working on others, such as the use of light and sound to attract a specific pest.

The sterility concept represents the biggest single breakthrough in controlling pests without the use of chemicals. It is a unique example of safety and effectiveness. It illustrates dramatically

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what happens when one man has an idea and the persistence to see it put to use. And it shows what cooperation -- from ranch to ranch, from State to State, from nation to nation -- can accomplish. Eventually thousands . . . millions . . . and perhaps even billions of people benefit.

I am convinced that, working together, we can protect agriculture against its natural enemies -- and, at the same time, safeguard the health of the rest of our environment.

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June 1, 1965

AUG 1965

Dairy Month is in its twenty-ninth year as a National observance.

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Its history covers more than the calendar, however. Before I came along, five United States Secretaries of Agriculture had participated in Dairy Month kick-offs similar, no doubt, to that we are celebrating today.

Frankly, I find some personal comfort in that phase of the historical record because my five predecessors are still active in public or private life, or both. They prove it is possible to be Secretary of Agriculture and survive the experience -- and there are days I can use that kind of encouragement.

I'm not inferring that being Secretary of Agriculture isn't a challenging, inspiring, happy assignment. It's just that some days the challenges far outnumber the other assets.

It is rather a unique job, though. For example, I'm the only member of the President's Cabinet who holds the No. 2 position in his own Department.

The Department of Agriculture has an employee who outranks me like a General does a Private. His earnings exceed mine. He lives in high style on Connecticut Avenue. And he not only attracts more tourists than the Cherry Trees, he is loved by every one of them.

His name is Smokey Bear.

I've never heard of parents bribing children to be good by promising to take them to see the Secretary of Agriculture. But Smokey Bear has contributed to more good child behavior than candy and ice cream cones combined.

Remarks of Secretary of Agriculture Orville L. Freeman during June 1st Dairy Month Kick-Off Luncheon, Washington Hilton Hotel, Washington, D. C., Tuesday, June 1, 1965, 12:30 p.m. (EDT).

That's not all.

On the other side of the country, in Hollywood, the Department of Agriculture has an associate who draws millions of adults and children to their television screens each Sunday and gets more attention with a bark than I could get catching an egg dropped from the top of the Washington Monument, blindfolded.

That's Lassie, who appears in a story about life in our national forests as the companion of a Department of Agriculture forest ranger.

But I'm not jealous of Smokey and Lassie.

I do receive some attention. Each year I am visited by some of the most charming and lovely girls in the United States -- the Dairy Princesses, Maids of Cotton, and the Rice and Raisin and Wool and other reigning queens of beauty.

Still, when I get a hug who gives it? Smokey Bear, that's who.

And when I get my picture in the papers being kissed, who's doing the kissing? Lassie, that's who.

Incidentally, that picture appeared in more newspapers and magazines than any other related to my governmental experiences. In view of the opinion many editors seem to have of me, I can only conclude they glanced hastily at the wirephoto and became dog lovers because they thought Lassie was biting me.

My job is not only unique...delightfully unique in many ways...it also contains a striking paradox.

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In the public mind, the Secretary of Agriculture is primarily associated with farm families and farms, and the production of food and fiber. Yet, that's less than half the story of the interests, activities and responsibilities of the United States Department of Agriculture.

About two-thirds of its employees are engaged in work with greater direct value to the general public and to business and industry than to farmers. And around two of every three dollars spent by USDA each fiscal year go for services which are of primary benefit to urban families. Because so few people realize the magnitude and scope of services rendered to every American citizen by the Department of Agriculture, I have come increasingly to the opinion that we ought to have a new and more descriptive name than agriculture alone.

After all, the services of the Department of Agriculture reach more often into every home in the land than those of any other department of our government. And most of these homes are, of course, non-farm homes.

This is a logical, reasonable distribution of responsibility, interest and effort for an agency of government which Abraham Lincoln said, at the time of its creation, would become the "people's department."

But today I want to talk to you about another and perhaps more challenging topic.

We are the first major nation in the history of the world to achieve an era of true food abundance. It consists of two parts -- the ability to create abundance, and the maximum utilization of it. Abundance without consumption is meaningless -- it represents only a tragic waste of human and food resources.

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It is in making the era of abundance one which serves both producers and consumers that the Department of Agriculture and the American Dairy Association are on common ground.

You want to achieve the maximum utilization of milk because it is a food that enriches the health of our people at home as well as those of other lands, and because maximum consumption is a contribution to the well-being of the farm families who do such a wonderful job of producing it and the Dairy Industry which performs so superbly in making fresh, wholesome milk available daily everywhere in the United States.

Your government wants to do exactly the same thing.

The fact that we are beginning to make the most of the era of abundance is best illustrated by one of the basic truths of life in these United States:

It is not necessary for anyone to go hungry, anywhere in the United States. We have more than enough for all.

The families which have the incomes to go into the commercial market-places can buy more of a greater variety of pure and wholesome foods at less cost in hours of work than any families at any time in our own history or that of the world.

Those families without adequate earnings have potential access to adequate nutritional diets through the Direct Distribution and Food Stamp Programs and the School Lunch and Milk Programs administered by the United States Department of Agriculture in cooperation with local governments.

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Yet, the fact that the Federal Government will make available almost unlimited amounts of nutritious food to the needy, and the fact that the supply of dairy products is abundant, doesn't mean that from a nutritional standpoint either the buyers or the families who receive public assistance are consuming all the dairy foods they need. That's why your promotional efforts must be constant and flexible and channeled to capitalize on every new sales opportunity. And that's why we must constantly seek to make our public efforts to achieve maximum food distribution include the nutritional values of dairy products.

I would like to call to your attention today my conviction that the greatest opportunity to increase the consumption of dairy products is in opening new income opportunities among the families whose earnings today are too low to provide adequate diets.

That's why I consider the President's War on Poverty and the programs and projects growing out of it the major avenue to greater sales of dairy products. The experience of the USDA with the Food Stamp Program is significant in this respect.

We take the Food Stamp Program into areas of greatest need which means, of course, that it replaces the Direct Distribution Program. Families which had been going to a distribution center to receive gifts of food instead get food stamps which serve as income supplements, enabling them to go to their retail stores and buy it.

In Detroit, where one of the first shifts from direct distribution to food stamps occurred, a before and after study was made of 600 families. There, after introduction of the stamp plan, the number of families using fresh fluid milk rose by one-third; evaporated milk, by one-fifth; and ice cream, by more than 50 percent.

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The retail value of dairy products, including butter, used by these Detroit families was 30 percent higher than before.

When families lacking incomes for adequate diets earn more, they spend for the higher-value, better-tasting dairy foods. As a matter of fact, people in middle-income groups will buy little more food when their earnings climb. However, lower-income families will spend as much as 50 percent of new earnings for food. In this group can be found the new customers to sharply expand dairy consumption.

Yet, we can't wait for everyone to be fully employed and earning adequate incomes to make food abundance meaningful. Actually, food is an important factor in the ability of children in underprivileged families to learn so the day will come when they can earn. An adequate diet is also important in creating the energy needed to enable their parents to take advantage of expanding job opportunities.

Every improvement in our Food Distribution, Stamp Plan and School Milk and Lunch Programs is an important victory in the war on poverty.

The dairy industry has a real stake in progress on all these fronts.

Of the four programs, the largest single food service is represented by the National School Lunch Program. A billion dollar market for our farmers, it reaches more than 17 million children each school day.

The Department of Agriculture recently completed a study of food service in public and private schools that covered in great detail program operations in the 1962-63 school year. It shows that in the year ending in June 1963 the schools served milk and dairy products -- not counting butter -- worth \$372 million.

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Fluid milk represented 84 percent of the total, followed by ice cream and processed cheese. Most of the purchases were in the local markets, financed with Federal, State and local funds. In addition, the Department distributed 88 million pounds of butter to the school lunch programs during that year.

The Special Milk Program is another instance of expanding a market for milk by pricing it within the range of most children. Over 3 billion half pints of milk will have been served under this program by the close of the current school year. Add this to the almost 3 billion half-pints served under the National School Lunch Program, and you have a total representing about 5 percent of our fluid milk consumption.

Yet, good as the school records are, they are not good enough. We must all face up to what hasn't been accomplished, along with recognizing what has been done. Our surveys show that over 6 million children in public schools and an additional 3 million in private schools do not have access to any lunch service in their schools. We know, too, that almost a million of these are children of poverty and would be entitled to a free or reduced-price lunch if it were available. We know, too, there are over a half-million near-needy children attending lunch program schools who qualify for a free or reduced-price lunch.

A million and a half school children are not getting school lunches or school milk because for one reason or another local resources are not made available to finance these additional meals. These children represent a big potential market for the increased use of milk and dairy products, and I urge you of the American Dairy Association to put them at the top of your unfinished business and market opportunity lists.

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Through the Direct Distribution Program, the Federal Government is now providing food assistance in over 1,600 counties to an average 5.5 million persons this year. The number of counties and cities participating is at a post-war high, with 1,665 counties and 260 cities involved. Yet, there are still many local communities which haven't made arrangements to distribute food that is available for their needy, underfed citizens.

For the Food Stamp Program, the House of Representatives just last week appropriated the full \$100 million for the next fiscal year. We hope, by the end of this summer, Food Stamps will mean that a million people are eating more and better food.

Every one of these efforts to improve the diets of children and adults and bring more Americans into the era of food abundance is dependent upon State and community interest, cooperation and cost-sharing. The Federal Government cannot arbitrarily place any one of these programs in a community -- it can act only if there is action at the State and community levels.

May I once again emphasize that it is in the immediate and long term interest of the Dairy Industry for its producers, its distributors, its retailers and promoters to take a hard look at how well the anti-poverty programs, the rural development programs, the School Lunch and Milk and Direct Distribution and Food Stamp programs are serving, or can be made to serve, their communities.

All of these are cooperative programs, closely tied to local initiative, planning and administration. The Department of Agriculture will make food available if local people will distribute it. We are strengthening and increasing the funds available for these purposes on the national level every year. In cases where local authorities are not taking advantage of food resources available to

them through the USDA, this great, far-reaching dairy organization can play a valuable part in cranking up the local machinery so we can know the day when no American has less than an adequate nutritious diet.

The utilization of our abundance is at the highest point in our history, but still short of the potential.

Let us redouble our efforts in our government at all levels, as individuals and members of food organizations, so the day will come soon when hunger and malnutrition have been conquered and the food battle in the War on Poverty has been won.

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June 2, 1965

I am pleased to join with Commissioner Duncan and Welfare Director Brewer in the formal approval of the Food Stamp Program for the District of Columbia. This "Plan of Operation" is the contract between the District government and the U. S. Department of Agriculture -- much the same as the contracts with over 100 other localities throughout the Nation, where the Food Stamp Program has been enthusiastically accepted and is effectively helping low-income families to attain a greater share of America's food abundances.

It is particularly gratifying that the District has elected to take part in this food assistance program, for here in the Nation's Capital -- as in so many urban centers across the country -- we too have "pockets of poverty". A more adequate diet for needy people everywhere strikes directly at one of the roots of poverty: the under-nourishment and malnutrition that sap the urge to learn and destroy the will to earn.

I know that much work must be done in the next month to implement this program here in the District of Columbia -- work in acquainting low-income families with the benefits they can derive from their voluntary participation; work in helping the many food retailers and wholesalers to understand their very important role; and work, too, in pointing out the significant contribution of the banking and business community.

But I know this from the experience we have had in slightly more than four years of food stamp operations: In one short month here in the District of Columbia --

Remarks by Secretary of Agriculture Orville L. Freeman approving the Food Stamp Program "Plan of Operation" for the District of Columbia, Secretary's Office, Washington, D. C., 2:30 p.m. EDT, June 2, 1965.

Thousands of people are going to eat better....

Business in the community is going to be improved....

And farmers markets will be expanded....

As a relatively new development in the food and agriculture field, the Food Stamp Program represents a dignified and businesslike way of helping low-income families purchase more food and obtain better diets. Through utilizing the existing commercial distribution system, the benefits are spread throughout the economy -- right back to the farm.

Under the Food Stamp Program low-income families exchange the amount of money they normally spend for food for an allotment of food coupons of a higher monetary value. The difference between the amount a low-income family pays for coupons and the value of the coupons they receive represents the Federal Government's contribution to the family's increased food purchasing power.

Participating retail stores treat the coupons just like their other store receipts. They can immediately redeem them at a commercial bank. The banks, in turn, are reimbursed by the Federal Reserve System. So, the commercial food distribution system and the commercial banking systems are used to get more food to needy people and to redeem the coupons accepted by retailers. This means that neither Federal, State nor local governmental units need to establish special organizations to carry out these functions.

The Food Stamp Program was operated on a pilot basis for three years. The pilot operations were subjected to very careful research in an effort to measure the actual results of the program. What we learned from this research has real significance for both low-income families in the District and for the entire economy of the city.

For the families who take part in the Food Stamp Program, the studies showed:

-The program allowed them to buy more and better food.
-Most of their increased food expenditures -- in fact, 80 percent -- went into buying more fruits and vegetables and livestock products.
-More than twice as many participating families had fully adequate diets than when they were being helped by the commodity donation program.
-The ability of these families to buy more fruits and vegetables was an important factor in this improvement in diets.

For the economy of an area like the District, the research showed:

-Retail food store sales were increased by 8 percent after the inauguration of the program.
-The same number of Federal dollars spent on the food stamp program, instead of commodity donations, increased the farmers' share of the family's food expenditures by 15 percent.
-The overall economy of the participating areas benefited as the stamp program actually brought new dollars into the community.
-Stamp families spent their extra food dollars on good basic foods -- assorted citrus fruits, potatoes, apples, greens, tomatoes, fluid milk, shell eggs, and fresh meats. All this means expanded commercial outlets for these foods for domestic producers.

AUG 26 1965

CURRENT SERIAL RECORDS

12, 1965 + Personnel -- Our Most Important Resource

If I have been a successful Secretary of Agriculture, my success has been due, in no small measure, to you -- the Personnel Officers of the Department -- and to the fine work you have done to improve our manpower use during the last four and a half years.

I have not met with you as a group since early in my administration. And, I think this is an indication in itself that you people have been doing a good job without any prodding from me.

But although I have not met with you as a group very often, I have been aware of your good work and your efforts to improve the Department and our services to the public.

Joe Robertson, Carl Barnes, and your administrators have kept me well informed of your achievements. And I want to congratulate you and to thank you for the help you have been to me collectively and individually.

We all have plenty of room for improvement; we all need to do better, and I am sure we will. But I do want to commend you especially for your efforts and your progress in several specific areas.

*For instance, I want to congratulate all concerned on the automation of our personnel records. You have been part of a pioneering program which is being eyed by other Agencies of the Government. I know what it has taken

Remarks by Secretary of Agriculture Orville L. Freeman at USDA Personnel Officers Luncheon, Room 6962 South Building, U. S. Department of Agriculture, 12:15 p.m., (EDT) Wednesday, June 2, 1965. x

to do this job. It has been rough. And until we get all of the skills data and other vital statistics on our employees into the system, it will continue to be rough.

Up to now, you all have been putting a lot of time and a lot of hard work into the automation system and -- except for the payroll part of the system -- you have been getting little out of it in return.

But now this work is beginning to pay off. It's beginning to produce results for you in the form of data you can use to make better personnel decisions.

*I was intrigued a few months ago when I was briefed on the MOHR (Management of Human Resources) part of MODE. I trust all of you are really testing yourselves in this exciting effort to help develop better information in managing human resources.

Certainly the personnel folders I've seen are just about useless in indicating what kind of person the individual involved really is. My experience is that they are filled up with "paper records" that contain no really useful information about the real strengths and weaknesses of employees for the most effective personnel decisions as to placement, promotion, reassignment, awards, etc.

This may indicate that you have been emphasizing job description to the virtual exclusion of anything that could be termed an effective performance rating system. Until this is done how can we talk about a "merit system" in a really meaningful manner?

(more)

* As to ADAM -- the personnel statistical reporting system, I am most pleased to note that most of the regular reports and notices are now in production.

These are reports required by the Civil Service Commission, the Budget Bureau, and the Congress. They reflect a statistical profile of almost every aspect of our job structure.

For example, if I need a chart showing precisely the people, the job titles, grades, etc., for each organizational unit in the Department, ADAM will quickly make it available. This is done literally by pressing the right button in our computer in New Orleans.

Not long ago -- through the use of ADAM -- we were able within three days to give the Defense Department a list of all our employees who are military reservists and their reserve status.

We were the only Federal Agency able to give the Defense Department this type of information so fast and so accurately. We were able to do something no other Department of the Federal Government could do.

So, for the first time in the history of the Department of Agriculture we now have the capability of the data we need -- the data such as our "Manpower Outlook" provides, and our "Survey of Leave Use and Carryover."

Carl Barnes has got these reports on leave use and manpower outlook to you. I will be interested to see what you do in individual agency personnel offices with this valuable information. I can see the need for action indicated by these reports. I will be expecting this action.

(more)

USDA 1748-65

I think it is clear that, as this sort of information is developed and made available to you, it should be used. You need to do more than just read the report and say, "Well, how about that?!"

You need to take the report and run with it -- move it into your agency data and give it the depth analysis needed. Then give it the action that is called for. Use the information with imagination. It's your management tool.

* I am pleased to see the progress we have made during the last four years with our "department-centered" training programs -- such as the one for Interagency Management Development. I am personally interested in stepping up the tempo of our training of upper and middle managers in USDA through such high quality interagency efforts as the USDA Seminars in Executive Development (SED) and Seminars in Middle Management (SDMM).

I am proud of the Seminars in Executive Development that originated three or more years ago with several of you present during a number of sessions. Here is a positive program to provide USDA executives with a broader orientation to the Department, the Federal and State governments, the Nation and the world.

In this program more than 360 USDA top managers have spent a week exchanging ideas in depth during the past three years with people like Patricia Harris of Howard University, newly appointed Ambassador to Luxemburg, and John Lovell, literature professor at Howard. They were teamed with people like our own Harry Trelogan and the late John Brewster and many other talented key resource people.

(more)

USDA 1748-65

This is developing our key USDA management team in depth and across agency lines and broadening our horizons.

An editorial writer of The Los Angeles Times said, in part, about this USDA training program that "the breadth of the discussion was astounding....it fitted into my idea of what serious governmental officials need to keep in mind to maintain a wide horizon."

* I am also pleased with the progress we have made with our Seminars in Middle Management, again crossing agency lines. I note with special interest that nearly 500 USDA middle managers have participated in this during the last two and a half years, with agency requests already exceeding the 350 mark for fiscal year 1966.

I have been especially impressed with the possible cost reduction proposals coming from these middle management sessions held across agency lines. Twenty-nine such proposals have been made that could possibly save over \$7,000,000. They may not all be practical, but this is the kind of constructive thinking we need to encourage.

We need also to take full advantage of outside training opportunities for developing our managers, such as the Legislative Internship Program; the Princeton Mid-Career Program, and the National Institute of Public Affairs Program. I am convinced these programs pay off.

Incidentally, I think we can afford to brag a little in that this year USDA has two people in the Princeton Mid-Career Program, the only time in the history of this program that there have been two people in it from one department of the Federal Government.

(more)

USDA 1748-65

* Now, let's talk about cost reduction. Obviously, I don't have to tell you people about the President's interest in reducing the costs of government, nor about my own personal interest in cost-reduction here in the Department. And this interest and concern isn't slackening. For example, President Johnson stated these objectives in his recent budget message: "Where there is waste, to end it; where there are needs, to meet them; and where there are just hopes, to move toward their fulfillment....."

I am very proud that during the last four years we have been able in the Department of Agriculture to save the taxpayers of the United States more than \$375 million in reduced costs and increased productivity.

The spectacular results of this program not only have saved the taxpayers more than \$375 million in cost reductions and avoidance of cost increases, but last October gave USDA top-ranking among all the non-defense Cabinet level departments of government in terms of dollar savings realized.

This has been accomplished in the face of a sharp increase in the work load of the Department. For instance, since 1960 there has been a 47 percent increase in recreation visits to the National Forests; an 18.4 percent increase in the pounds of meat and poultry inspected; and a 25 percent increase in the number of children fed under the School Lunch Program. There has been a 140 percent increase in Farmers Home Administration loans and grants to farmers and other rural people. There has been a 94 percent rise in watershed projects under construction.

And despite this increase in the workload, USDA employment actually declined by 4 percent in the last fiscal year, reversing a longtime trend of rising employment.

This cost-reduction effort was most pleasing to the President, and highly gratifying to me. But we must keep everlastingly at it!

Of all the people in our Department, it is most imperative that you, the Personnel Officers, closely identify yourselves with the cost reduction objectives of the President and the Office of the Secretary.

You can do this at the agency level, just as our department-wide cost reduction program has been carried out under the leadership of the Office of Personnel.

I note that the organization plans of most of our agencies are developed in agency personnel offices. This is a little different place for this function than is customary, I believe. This means that you must do a real hard-nosed, professional job to see that our organizations are as lean and as effective as absolutely possible.

We must trim away the fat and keep it trimmed away. And since you play a vital role in this business of organization, I am looking to you to put some real thought and ingenuity into it.

Are you doing this? Or are you simply drawing boxes and lines on organization charts? Are you really analyzing the job needs of your agencies and eliminating unnecessary positions.

We have examples now of Budget Bureau and Civil Service Commission organization reviews which indicate that tightening up can be done in certain agencies. I am not expecting us to wait for this to be done by outside groups. We are to take the lead in cleaning up our own house. And, to use an old Marine term, you are in the "attack wave" in that operation.

(more)

USDA 1748-65

* One of the weapons you have -- one of the new tools you have to work with is your "position management" or job control program, one of your most important new personnel concepts.

This involves periodic job reviews. It also involves taking a hard look at every work position in your agency. Are there any that are unnecessary? Are there any that can be eliminated? Can the work be assigned elsewhere to get the job done better?

The President's interest in all of this must be clear to you now. We are all on his side in this matter.

I understand you are under instructions from the Office of Personnel to prepare and submit plans in writing on position management programs which will meet certain criteria laid down by the Bureau of the Budget and the Civil Service Commission.

Have you reacted positively to these requirements? Are you taking seriously the responsibility for periodic job reviews? Are you determining whether all the jobs established in your agency are really necessary? Are you identifying those that can be merged with other jobs and showing, as expected and appropriate, the reduction of total man-hours or man-years required to do the work?

Are you looking at the number of assistant or deputy positions that exist in your agency and determining what the incumbents of those positions really do? Are assistant and deputy positions really necessary in many cases? Are you reporting savings under this program in the cost-reduction program?

(more)

Now, I have been very much impressed with the job ASCS is doing in its job review program. It would be well for all of you to take a look at it.

ASCS requires an annual review of every position in the Washington office. Personnel officers and position classifiers assist top management in the review and decision-making process. The purpose of this review is to determine whether each position should be continued.

This requires a review of the work performed -- whether the position is necessary in the first place -- can it be assigned elsewhere and be done equally as well?

A master list is made of positions slated for elimination. The name of the person occupying the position is included on the master list. The personnel officer uses the list to maintain a strict control so that any position to be filled anywhere in the agency in Washington must involve a consideration of the names on the master list of the positions that are to be abolished.

If a reassignment can be made from the list, or a retirement occurs, the position is then abolished. The master list is updated every month and brought to the attention of the Deputy Administrators and the Administrator. The updated list includes a progress report.

Thus far, ASCS has abolished 93 positions through May 7th by the use of this technique. Grades of positions abolished ranged from GS-2 to GS-16. Eighteen percent of those abolished were in Grades 14 through 16. Thirty-nine percent of those abolished were in Grades GS-11 and above.

Dollar savings resulting from the eliminated positions are included in ASCS's reports to the Office of Personnel under the Cost Reduction Program.

(more)

USDA 1748-65

Thus far, the 93 positions add up to roughly \$840,000. This means that had these positions been filled when vacated, ASCS costs for salaries would have been \$840,000 a year more than it is. And this does not include savings for office space, office equipment and related items.

I would like to ask each of you to ask yourselves whether this is done in your agency. If not, why not? And this, I am asking the agency head as well as the personnel officer.

* Another question. Do you have a work measurement system to precisely identify what the products of personnel, manpower and money inputs are? Can you show whether productivity is increasing or decreasing?

ASCS has such a system, and so does the Office of Management Services. Production in ASCS has climbed sharply in recent years and was 26 percent higher in 1964 than in 1960. This represents a savings in manpower of more than 6,000 man years.

Although work measurement does not, by itself, increase production, it does provide management with the information it needs to use its manpower in the most effective manner.

*Manpower development is another highly important program that can greatly improve our operations. Are you doing a top flight job here?

To what extent have you developed a system for identifying promising young talent in your agency? Do you have a system for determining employee characteristics that management needs to know about in job placement, promotion or reassignment?

(more)

Do you have a job training program to sharpen employees' potentials?

Do you have a career system to show young people the alternate paths they might choose to reach the top of their particular profession?

We need programs like this to recruit, train and expose people to challenging opportunities that will give them the type of experience that will make them broader-guaged, more sensitive, better administrators.

* Does your agency have a system for planned rotation of your employees with potential for leadership roles?

I've long been an advocate of rotating people through a variety of assignments. This not only serves to broaden the younger employee, it helps to stimulate the employee in the higher reaches of the organization.

This brings up another question of how many personnel officers have been used by the agency heads in assignments other than personnel administration.

You notice that President Johnson is using Chairman John Macy of the Civil Service Commission for other assignments. The newspapers frequently mention "the many hats" that Macy wears these days.

We have used Carl Barnes in much the same manner to direct our Department-wide cost-reduction effort. There is no reason why agency personnel officers cannot also be used in other assignments to improve our operations.

Our agencies would do well, I think, to accept a program of moving top-level talent from one agency to another.

(more)

USDA 1748-65

Recently I proposed that such a system for rotational assignments between as well as within your agencies be staffed out and submitted to me for consideration.

This sort of job rotation system, I think, will not only be good for the government, it will be good for the employee.

You'll be asked to help on this at some point, and I want you to really put your back into it.

* You all are familiar with the subject of Equal Employment Opportunity in government. Much has been said and written on this subject lately, and a great deal is being done about it right here in our Department and throughout government.

You know how the President feels about this, and you know how I feel.

Although our employment of minority groups is increasing, there has been a tendency on the part of some personnel officers to generally approach this as simply a "normal" type of activity. But it is more than that.

We need to realize the affirmative action expected and demanded by the President. And we need to increase our efforts.

We must not be negative or complacent about this. If we find that there are not enough qualified applicants for some jobs among minority groups, we need to ask ourselves why, and what can be done about it.

(more)

Personnel people should be particularly expert in this area. I expect you constantly to be engaged in a renewed campaign to solve this problem. I have asked for monthly reports -- not only on your effort but especially on your results.

* There is another topic I want to mention to you today, and that is the subject of safety.

Frankly, I was curious as to what would happen when we established almost a full-time Safety Officer for the Department in the Fall of 1961.

I am glad we took that action. I am proud with the job that Henry Shepherd has done. I am pleased with the results.

I featured safety as one of our important Cost Reduction programs when we had the Vice President here in the Department last month. I used it again at a Cabinet Meeting a couple of week ago. I did this with pride. The USDA Personnel Offices can also be proud of what they have helped accomplish here.

We were nominated for the President's Safety Award, based on our 1962 record. We didn't win, but were a runner-up. We have now been selected as a winner of the President's Safety Award for 1964.

The satisfaction of winning is great. The satisfaction of knowing we have saved lives and avoided human suffering is even more gratifying. The fact that we have^{saved} the taxpayers over a million dollars since 1961, based on direct injury costs for the Department that year, is highly commendable.

(more)

USDA 1748-65

I was proud to present four Special Merit Awards for safety at our Annual Honor Awards Ceremony May 18. The recognition of the Department Safety Officer and the Safety Officers of Forest Service, Soil Conservation Service, and Agricultural Research Service, were based on the substantive accomplishments that enabled the Department to win the President's Award.

While our progress is good, our record must be improved to meet the President's goal for Mission Safety - 70. A 30 percent reduction in injuries is called for. Every agency must establish goals in line with Mission Safety - 70.

I stand squarely with President Johnson on the need for an aggressive safety program that will save lives, reduce suffering and avoid the terrible cost of accidents.

We can win the President's Safety Award again.

I ask each of you to share in the safety program to the best of your ability. You have my backing for an all-out safety program.

* Finally, I want to thank you again for the help you have given me.

Together let us move on to even greater efficiency and service to the people of America, always keeping in mind Sir Francis Bacon's warning that, "He that will not apply new remedies must expect new evils, for time is the great innovator."

Although you have done a good job, let us heed the advice of Sir Winston Churchill in one of his famous wartime memo's where he wrote, "Pray do not let it be thought that you are satisfied with such a result. If you simply take up the attitude of defending it, there will be no hope for improvement."

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U. S. Department of Agriculture
Office of the Secretary

inc 5, 1965
Miss Johnson, Miss Pace, ladies and gentlemen. It's refreshing to see so many young people, and to feel the boundless energy and enthusiasm you represent.

There's a saying: "Youth will be served."

True. But I would like to make a change. I would like to say: "Youth will serve!"

If given a chance to do something important and wonderful it has been proven again and again that young people can work miracles. And that's what we are here for today. To give you an opportunity to become a driving force in the war on blight, to regain and retain the beauty that is America before it slips through our fingers and is irrevocably lost.

We are here to start a nationwide "Youth for Natural Beauty" program, to enlist the enthusiasm, the spirit, the energy of our Nation's youth in a campaign to beautify our countryside and our cities.

This meeting was called to follow up on President Johnson's request to the White House Conference on Natural Beauty to "produce new ideas and approaches for enhancing the beauty of America."

When I look for new ideas, new approaches, I look to people who are young -- or to people who think young.

I believe one day we will look back to today's gathering as a key meeting in the President's drive for a more lovely America. You, and the organizations you represent are beautification pioneers, and this is the way it should be.

Remarks by Secretary of Agriculture Orville L. Freeman at opening of Patio Exhibit on Natural Beauty and opening of National Youth for Natural Beauty Program, 2:30 p.m. June 8, 1965, Washington, D. C.

After all, this is a nation of youths.

One out of every three persons in the United States is teenaged, or younger. Before many of today's teenagers reach their thirties, there will be more than 86 million youths, 9 to 24 years old, in the United States. That's a lot of people.

Then, when you add that vital ingredient -- a youthful zest for action rather than words -- things start getting done. And that's what we all want -- fewer words and more action.

It must be kept in mind too that you are the ones who will benefit most as we build a more beautiful America.

We are concerned about natural beauty not for it's sake alone, but for its effect on man's spirit.

Blight is the handmaiden of poverty. Together, they sap man of his will to fight and work and get ahead. They lead to indolence and despair and crime.

We have all seen people who subsisted in drab, bare surroundings, who saw days, months, and years slip by with little outward concern. But these same people can come alive, their entire outlook can be changed by a bit of color -- by planting and tending a small plot of grass or flowers, by a new coat of paint, by clearing a dump and making it a small park. That touch of beauty can widen their horizon, can imbue them with a desire to get ahead, to be somebody.

We in the Department know from past experience because we work with you that young men and women are interested in beauty and in helping others. We know that given the opportunity, you are willing to tackle any job.

(more)

USDA 1806-65

Two months ago, I took part with the people of Randolph Hills, Maryland, in a project to clean up a gullied, eroded area know locally as the "Jungle." Four hundred Scouts -- Boy Scouts, Girl Scouts, and Cub Scouts -- turned out on a rainy day to plant 1,000 large shrubs and hundreds of seedling trees. These shrubs and seedlings were donated by businessmen. The telephone company helped prepare the land, and the city fathers and civic organizations backed the project. This was a direct outgrowth of a program we started to help city people understand the importance of conservation, to explain how conservation programs work and how they contribute to natural beauty. Through this program, thousands of Scouts and classroom groups have prepared and exhibited posters to further increase understanding of conservation.

Starting in 1961, I have been privileged to present annual citations to Boy Scout Councils with outstanding conservation records.

Campfire Girls, from their beginning in 1910, have included conservation and natural beauty as part of their program. Their work in replanting trees on the Little Falls Parkway in Maryland is an example of what all youth groups can do.

The White House Conference heard how 4-H'ers, garden clubs and others cooperated to help beautify a blighted section of the city of Philadelphia.

In Clay County, Missouri, 20 4-H Clubs picked up several tons of roadside litter and deposited it at the intersection of two major highways before hauling it away. Then they distributed litter bags to motorists.

In Calhoun County, Illinois, 4-H'ers started the local drive to paint mailboxes. This spurred the adult Rural Areas Development group to get active in the area.

The 4-H group here today from Michigan was actively engaged in a massive clean-up after the recent tornado.

(more)

USDA 1806-65

Young people here today from rural electric cooperatives in Iowa are leaders in their own community improvement programs.

Our very pretty chairman, Donna Mae Pace, works as a guide at the Duke Garden Foundation. Her job is a direct result of her interest in horticulture, beautification, and public speaking. So we see that helping beautify America can also lead to a business career.

This Department and private groups outside the Department have great confidence in what young people can do to further beautification. To demonstrate that confidence, the National 4-H Service Committee, a private group, has asked me to announce today a National 4-H Community Beautification Awards Program. The donor of this program, the Sears-Roebuck Foundation, will award medals, certificates, trips, and college scholarships to individuals and groups doing outstanding work. We are pleased to have Mr. Donald Gareis, Executive Director of the Sears-Roebuck Foundation here today.

The National 4-H Foundation, another private group, with funds from the Readers Digest Foundation, also for the first time this year is making "Citizenship in Action" grants to local 4-H Clubs for community service projects. Many of these projects will include beautification.

In closing, I would like to take this opportunity to quote from our gracious First Lady who has given so freely of her time and efforts to further beautification. Let us remember her closing remarks to the White House Conference on Natural Beauty and go forth and put them into action:

"There are no autocrats in our land to decree beauty; only a national will. Through your work, I firmly believe this national will can be given energy and force, and produce a more beautiful America."

14, 1965
There is a great temptation for the old grad to reminisce when he returns to his Alma Mater at Commencement Time.

You will be glad to know, I am sure, that tonight I shall resist that temptation--in deference to you but mostly because I am not practiced in reminiscing. I find life far more interesting when I look ahead, and think and work in terms of the future. I find more excitement, more challenge, in trying to influence tomorrow than in analyzing yesterday.

However, as I was preparing for this occasion I did take a quick look backward over a quarter of a century. I recalled, vividly, the day I enrolled in the University of Minnesota. Yet my recollections of two graduations--one in 1940 and the other from law school six years later--remain vague, perhaps because they are so thoroughly blended with wartime experiences.

A more recent, and more intriguing, array of memories cover the birth of this campus. The spirited debates, some "horse trading" and the final decisions that took place in the Governor's office before the Morris bill moved out of committee remain sharp in my recollections. Being here with you at Morris brings what I hope is a pardonable sense of pride--pride in the fact that as Governor of Minnesota I had something to do with the conception, and the delivery, of the infant branch that is now such a robust and important part of a great university.

Commencement Address prepared for delivery by Secretary of Agriculture Orville L. Freeman at Morris Campus, University of Minnesota, Morris, Minnesota, June 14, 1965, 8 p.m. (CDT).

You, too, can know pride in its growth to maturity because you have been a major contributor. Taxpayers and other friends of education can endow an institution of learning with many assets, but character and quality and the foundations of rich traditions are the creations of students and teachers.

With my congratulations, you have my appreciation. It is good to see the first flowers of the seeds of faith.

Because the scope and sweep of human knowledge has developed with such incredible speed, University of Minnesota graduates of 1940 and '46 and of 1965 do not share a common educational experience. But, for better or for worse, we do share a common life experience that--for most of you--will be projected into another century, numbered 2000.

That is: If there is another century.

That observation is not intended to be a frightening forecast of doom and gloom and disaster. It is just a repetition of a fact you have known since entering elementary school, because you have known no environment that did not contain the nuclear bomb.

You and I share with men and women around the world the ability to end civilization well ahead of the year 2000, or to make the years ahead the best years man has known since the very beginning of time.

Control of the bomb, the constant exercise of the will and resources that maintain peace, are essential to the survival of mankind.

Yet peace is more than the absence of war.

Within the skin he seeks to protect, man has a spirit he wants to project.

(more)

USDA 1831-65

If we free mankind from the threat of weapons of war without freeing it from the threats of famine and pestilence and ignorance, there will be no peace.

Unless we find ways to utilize the world's accumulation of knowledge to make men and women and children everywhere healthier and happier and better equipped to use the knowledge, this cannot be a peaceful world.

What I am saying is this: Control of the bomb is an essential part of the peace package--but not the whole of it.

Further: The Great Society cannot know its full bloom in a nation surrounded by countries where hunger and disease and ignorance diminish mankind in body and in spirit.

It is about hunger and the growing threat of mass famine, and our potential--yours and mine--for helping conquer hunger and famine around the world that I would visit with you for a little while on this occasion.

Expanding the area of food abundance is a positive, key part of creating the era of peace.

The same Book that comments on the futility of saving a body and losing a soul tells the story of a hungry, disease-racked man named Lazarus who lay at the gate of a rich man's house waiting for crumbs to fall from the table.

Lazarus has long been gone from the world.

Yet he can still be seen at the gates of the United States and France and West Germany and Sweden and Australia and all the other nations that are rich in having enough or more than enough food.

(more)

USDA 1831-65

Lazarus is at the gate...as an undernourished child, as a parent who long ago abandoned hope, as a grandparent scarred with too many years of hunger and want.

His name is legion. There are nearly two billion of him. And, like you and like me, he is a human being--in the image of God.

His number will increase by as many as a billion by 1980, unless ...

We help today's Lazarus, through his own efforts from his own soils and pastures, produce more of the food that is essential in cutting down the horrors of want, preventing the disaster of famine.

I would not imply that we have turned our backs on Lazarus...that we have been content to give him crumbs..that we have been reluctant in offering knowledge. The millions of tons of foods, the billions of dollars, the technical assistance that have gone from the people of the United States to developing nations through public and private aid programs are a tribute to the compassion of this nation. We can be humbly proud that our Food for Peace program is the greatest outpouring of food and fiber abundance to help the needy in all the history of mankind.

Despite this great flow of food from our shores, almost two billion of the world's people go to their beds hungry every night. I know you share my own sense of frustration in the realization that our own and other countries of the Western World fight surpluses by cutting back production while billions of people suffer want. Yet our frustration, and theirs, can be eased through a better procedure than hand-outs. What the world's hungry people really want is the capacity to buy the foods needed to supplement their own production, and therein lies the meaningful future market for our great agricultural outputs.

The food gifts of the United States have been, and are, helpful to the less developed nations. But we and they have learned the capacity to give, and to receive, are not always identical. The ability to absorb can be reached before needs are fully filled. We are now sending abroad almost all the food that needy nations can effectively distribute among their people. Too, there is a delicate balance between food distribution from outside sources and internal development efforts.

In brief, we've learned that running a relief program can be an adequate response to emergency situations yet fall short of long-term needs. We've learned abroad, as at home, that the most constructive help is that incorporated into self-help. If a hungry man comes to your door you will feed him. But if you really want to help, you will find him a job so he can feed himself. So it is among nations.

Clearly, then, the time is here to take stock of both resources and needs in the light of past experience and future trends.

The less-developed world is losing the capacity to feed itself.

Countries in Latin America, Africa and Asia that were exporters of grain prior to World War II now find themselves unable to keep pace in food production with the needs of their own growing populations. Today, rather than exporting grain, they are importing at the rate of nearly 25 million tons a year. These countries hold 2.2 billion of the world's 3.1 billion people. At present birth rate trends, they'll have a billion more people by 1980.

While food production is lagging behind population in these countries, the food output per person is trending steadily upward in North America, Western Europe and Australia. Food production is going up at a lesser pace, on a per capita basis, in Eastern Europe--including the Soviet Union. Only in North

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America and Australia can production be expected to substantially exceed the demands of domestic markets.

The nations with less than enough food have two mouths to feed as compared with one in the nations with enough or more than enough.

Perpetuation of such a ratio doesn't make good sense from humanitarian, social or economic standpoints--it is conducive to unrest and to internal revolutions that can put into jeopardy the peace of the world and with it the economic and social intellectual and cultural advancements of every nation. The world cannot know security and peace with one-third of its peoples fed and two-thirds hungry.

What then can be done about it?

Our own farmers have made a record that points the way.

When my grandfather homesteaded our family farm not far from here in Goodhue County 110 years ago, one American farmer fed himself and 3 others. Today he feeds himself and 32 others.

In the beginning of our agriculture new acres were being constantly brought under cultivation as people pushed westward. But as they plowed their way west, they also found room to build schoolhouses and start a system of agricultural colleges. And by the time they ran out of new lands to till, they were equipped through education and technological advances to get more production per acre with fewer workers. As yields increased and the need for farm workers decreased, we had more people available for industry, the professions, science and the arts.

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In the less developed countries, as in our own, there are few new acres to be cultivated for food production. The way for them to grow more food is in achieving what our agricultural economists call the "yield take-off"--which simply means more production per acre through proper management of increased agricultural inputs.

What are the inputs of the yield take-off?

They are seeds adapted to soils and climates and seasons...efficient fertilizers...pesticides...and the addition of machines to muscle-power--all of which require research and its adaptation..plus:

Credit for acquisition of machines and supplies, plus:

On-the-job training for farmers now tilling the land, with in-the-classroom training for their children.

Still, crops on the farm do not mean food for the hungry.

So in addition to production know-how, the developing nations need roads on which to carry the harvests--marketing systems to distribute them--all backed up by storage places and processing plants.

And they need the incentives, both material and spiritual, which inspire people on the land to produce for more than family subsistence. No agricultural system has worked successfully without the incentives of income plus home ownership--even the Communists have discovered this in substantial degree in Russia, and are learning it in China.

If what I have said is true, and I am confident it is, we must next ask ourselves a very serious and searching question:

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What determination, what decision-making, what investment does the desired yield take-off in the less developed nations demand of us here in the United States?

It takes, first of all, the determination to stop the march of hunger and the threat of eventual famine throughout much of the world. The other developed countries with the capacity to share food and know-how inputs with us in the developing areas cannot be expected to develop such determination without us. Our own record of agricultural achievement, plus our wealth, gives us the role of leadership.

Once we decide we're going to move in on hunger, the next decision is to invest what it takes in teachers and scientists and technicians and food and money and things to do the job. This we have the resources to do. It would take only a modest percentage of our rapidly-climbing productivity and a comparative handful of our highly-skilled agriculturists, scientists, teachers and businessmen.

When we make the decision and authorize the investment, we earn the right to negotiate on the terms of cooperation with the nations receiving it. A self-help program is effective only when the responsibilities of performance are equitably shared, and there is reasonable assurance of positive results.

Our own food abundance can play a key part in this great endeavor, but it must be used as an investment in the transition period--not as a substitute for essential changes in economic, social and political patterns.

The same thing is true of our experts and their know-how, and our contributions to land inputs, and our money.

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We have a right to anticipate that our efforts will go into a productive revolution--resulting in a rejuvenated and equal partner in the family of nations --rather than just temporary alleviation of hunger.

I am confident, however, that if we make the basic determination to fight hunger by helping the developing nations into a yield take-off, the auxiliary factors will fall into proper places.

Hunger is a frightening, harrowing, threatening experience for both participant and observer.

Fighting it successfully calls for a combination of two American qualities--the passion to do good, and the tradition of acting upon reason.

I ask you to join me and young and old Americans across the land who seek peace among men, and dignity in human relationships, in attacking hunger with passion and reason.

The poet, Gibran, described the two qualities this way:

"Among the hills, when you sit in the cool shade of the white poplars, sharing the peace and serenity of distant fields and meadows--then let your heart say in silence, 'God rests in reason.'

"And when the storm comes, and the mighty wind shakes the forest, and thunder and lightning proclaim the majesty of the sky--then let your heart say in awe, 'God moves in passion.'

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"And since you are a breath in God's sphere, and a leaf in God's forest, you too should rest in reason and move in passion."

The challenge of replacing want with abundance is awe-inspiring.

I ask you to join up in facing the challenge fully confident that you will.

Thank you.

For A. M. Release June 15, 1965

USDA 1831-65

Testimony by Secretary of Agriculture
Orville L. Freeman
before the
Senate Committee on Agriculture and Forestry
10:00 a. m. (EDT) June 16, 1965
Washington, D. C.

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16, 1965
Mr. Chairman, Members of the Committee:

I am pleased to appear once again before this committee, this time in support of S. 1702 -- the proposed Food and Agriculture Act of 1965.

This bill seeks to continue the progress which its predecessors since 1960 have initiated in our food, agriculture and rural economy. It seeks to continue those programs which have met the tests of strengthening farm income, and it proposes to augment these flexible commodity programs with a long-range land policy which will contribute further to lower farm program costs and to the constructive channeling of needed adjustments in the rural economy.

Let me review briefly with you some of the milestones of progress we have passed since 1960:

(1) Farm income has increased. Gross income was up \$4 billion last year over 1960 -- and realized net income continued at a level of about \$900 million above 1960 for the fourth straight year.

(2) Grain surpluses have been markedly reduced. Feed grain carryovers are perhaps half what they would have been without the voluntary programs of the past four years.

(3) Consumers have been provided with assured abundance at an even bigger bargain than before -- now only 18.5 percent of the average family's take-home pay, down from 20 percent in 1960.

(4) Exports of farm products have been boosted to their highest level in history -- more than \$6 billion in the last marketing year -- and our estimates now point toward a second \$6 billion a year for farm exports.

(5) Progress in making use of our abundance has been stepped up sharply -- we are better able to assure the American people of access to our food abundance. An expanding Food Stamp Program will reach over a million persons in some 130 communities and areas, and 48 states and 2,000 counties and cities -- a record number -- are participating in the direct food distribution program. In addition, the School Lunch Program is now reaching over 17 million school children a day.

(6) There has been set into motion a dynamic effort to achieve President Johnson's goal of parity of opportunity for rural America -- through rural development.

These accomplishments -- while they set the dimension of our goals as much as they describe our achievements -- took place with the help of new programs sparked by this Committee and enacted by the Congress in a period of a little over four years.

Four years ago when I first appeared before this Committee, the Congress and the Administration faced a number of real and serious crises:

* There was a crisis in farm income, for the trend since 1952 had been a declining trend. There was nothing to prevent further declines, and, in fact, there were those who advocated policies which would cause sharp and devastating drops in farm income.

* There was a crisis in commodity surpluses. Wheat stocks were at a record level 1.4 billion bushels, and feed grain stocks were a record 85 million tons. Unless action was taken, there would not have been storage space for the 1961 crop.

* There was a crisis in taxpayer costs, for while the legislation on the books then would assure that the downward trend in farm income would continue, it also assured that storage costs would continue to increase.

* There was also a crisis of opportunity in rural America, for the families in rural areas -- both farmers and non-farmers -- were face-to-face with problems which no farm commodity program could touch.

In four years we have not solved all of the problems which created the need for action, but the actions we have taken have reversed some of the most damaging trends. In the process, we have relearned some old lessons. And, I hope, we have gained a better understanding of the nature of the long-term challenge in agriculture and rural America.

We have learned as we did 30 years ago that commodity programs geared to current conditions in agriculture provide the most realistic framework within which a free and progressive family farm system can be maintained...and the free flow of abundance to an increasingly urban nation can continue undiminished.

We have learned to distinguish between the programs which strengthen commercial family farm agriculture and those programs which strengthen the rural community's ability to combat poverty and to provide a broader range of job and income opportunities.

We have also learned that we must be willing to change. Perhaps the one most singular characteristic of the age in which we live is change. Fifteen years ago there were 150 million Americans. This year there are 195 million. Fifteen years ago, the jet plane was a novelty. Today, man walks in space. Fifteen years ago, an acre of corn produced 38 bushels on the average. Last year it was 62. The year before it was 67, so we know what we must expect.

In many ways we are fortunate. Agriculture throughout the world is troubled by a persistent imbalance between the capacity to produce and the ability to use. Most of the world's people suffer because the capacity to produce cannot meet their ability to use. We wrestle, like the man on a diet, with a capacity to produce which exceeds our ability to use. But we do not suffer.

Our efforts to correct that imbalance, while not always as successful as each of us would wish, have produced beneficial results for the farmer, the taxpayer, the consumer, and for the economy as a whole.

Thus, on balance, we can share a quiet satisfaction in the progress which has been made.

PROGRESS IN STRENGTHENING FARM INCOME

Realized net farm income, for each of the past four years, has averaged \$900 million higher than in 1960. Realized net income per farm last year was \$3,642 or \$681 above the level in 1960. In this period, record high levels of grain stocks have been reduced to manageable levels; wheat stocks have dropped from 1.4 billion bushels to below 900 million bushels, and feed grain carryover will have decreased from 85 million tons to about 56 million tons by the end of October. This means a total reduction in wheat and feed grain stocks of over 1.5 billion bushels. As a result, we will spend in 1965 for grain storage and handling some \$136 million less than in 1960. On a cumulative basis, the actual dollar savings in storage, handling and other related charges over the past four years as a result of the wise and determined actions of this committee amount to \$584 million.

The programs which this committee has played a key role in developing also have enabled the nation to avoid piling up another 3.7 billion bushels of grain which would have been grown on the land which has been put to conserving uses since 1960.

I want to emphasize, however, that much remains to be done. Despite the progress we have made, farm income is disgracefully low. Fewer than 400,000 farms today provide the families who operate and manage them with anything close to parity of income. By this I mean approximately the wages of skilled factory workers and a reasonable return on investment. The majority of farmers today do not even earn the equivalent of a minimum wage.

That is why the proposed legislation now before you directs itself strongly to the need to improve farmer income. In the absence of a fair return in agriculture, we will not in the long run get the people and resources we must have in farming if the abundance we enjoy today is to be assured in the future.

PROGRESS IN SHARING ABUNDANCE

The crisis in commercial agriculture was only one of many challenges which faced the Administration and the Congress four years ago. In 1960, when the nation's storehouses were bulging, hundreds of thousands of Americans were going hungry. Millions lived on an inadequate diet largely supplied by a miserly ration of flour, lard, cornmeal, dry milk and butter distributed directly from Federal surplus stocks. You will recall President Kennedy's first executive order which doubled both the quality and quantity of this program -- adding meat, cheese, dried eggs, beans and peanut butter to the commodities made available to hungry Americans. Eventually the commodity list was enlarged to include 15 food items. The number of people participating in the program grew from 4.3 million early in 1961 to a peak 7 million by mid-1963.

In this same period, we began the pilot Food Stamp program which, at its peak, was extended to 43 areas and reached nearly 400,000 people. This program made it possible for low income families to buy coupons with the money they normally would be able to spend for food and receive enough additional coupons to buy the food needed for an adequate diet. This committee, after careful study, acted on President Johnson's strong recommendation to make the program a permanent instrument in the war on poverty. The program will be in operation in 130 areas and reach about one million persons by the end of summer. We propose to gradually enlarge it to reach low income families in all of urban and rural America.

Thus, you have enabled farmers to earn a better return for the abundance they produce while seeking to insure that no American is denied the opportunity for an adequate share of this abundance. These are significant accomplishments.

Equally significant, this committee and the Congress have helped to launch a rural renaissance by recognizing that agricultural policy today is concerned with the rural community as a whole. Agricultural policy must deal with rural affairs, for only by so doing can it effectively serve the needs of the farmer and the nation. As a result, there has been in the past four years a whole new series of Congressional actions aimed at the underlying social and economic needs of the rural community.

PROGRESS IN RURAL AMERICA

These needs are enormous. Over the years as the urban areas of the nation have expanded both in population and in wealth, an opportunity gap has been created between the urban American and the rural American. A child born in rural America may very easily have two strikes against him.

Poverty is twice as likely to be a condition of life for the child in a rural family.

A rural family is twice as likely to be living in substandard, slum housing. One out of four rural houses need major repairs compared to one out of seven in urban areas.

A fourth of all farm homes, and a fifth of rural nonfarm homes, have no running water.

Rural children have, on the average, less chance for a first class education. Rural Americans are nearly two years behind urban Americans in educational achievements.

Job opportunities are concentrated in urban areas. Unemployment in rural areas -- including underemployment -- ranges about 15 percent.

Rural children receive one-third less medical attention than urban children.

Rural people have less access to credit for housing, for business expansion, or for public utilities. Nearly 15,000 rural towns have no central water supply. Sewage disposal in many areas is as primitive as any place in the world.

I could go on, but the picture is clear. There is an opportunity gap which, unless it is closed, will continue to award the rural Americans with the status of second class citizens.

We have begun a mighty effort to close this gap.

In 1961 we launched, beginning with a series of Land and People Conferences, an intensive rural areas development effort to enlist community leaders in rural areas to help close the gap.

As the result of that effort, rural community development groups are organized in more than 2,100 counties, involving over 100,000 rural leaders. These groups have helped to create some 412,000 new jobs in rural communities, including 40,000 jobs provided by 316 projects financed through the Area Redevelopment Administration. Over 550 rural communities have built or expanded water systems with USDA loans since 1961, and we have been able to provide financial assistance for a variety of other activities -- rural housing, small watershed development, rural recreation enterprises, new industrial and agricultural enterprises, and so on.

Housing legislation in 1961 and 1962 broadened the authority of Farmers Home Administration in the USDA to make credit available to all rural Americans. Non-farm home building is accelerating in rural areas. Special emphasis was given to housing for senior citizens. The Area Redevelopment Act in 1961 made additional resources available to the rural community to help finance industrial and business expansion and to build essential community facilities.

The Food and Agriculture Act of 1962, which I have often described as a new charter for Rural America, greatly expanded our rural development tools. The construction of rural water systems, and recreation development on both a community and individual basis, was made possible by new or expanded loan programs. The small watershed program was expanded. Two pilot approaches to planning, and financing, rural development -- Rural Renewal, and Resource Conservation and Development -- were provided for in the 1962 legislation.

The same year, the Congress also enacted the Manpower Development and Training Act. Next year came the Vocational Education Act of 1963. Both contained authority to provide rural people with the opportunity to gain new and useful skills. More recently the Economic Opportunity Act and other measures to combat poverty have been enacted, and special emphasis has been placed on rural needs.

Over 45,000 rural homes have been built or improved in rural areas through housing loans totaling nearly a half billion dollars in the past four years. More than 26,000 land owners during this period have established one or more income-producing recreation enterprises through USDA programs. About 10 percent of these now are a primary source of income. In addition, some 422 recreation projects have been financed by USDA loans, including 104 nonprofit community projects.

In the past 5 months, the Department has made some 8,000 low income loans totaling \$14 million to help rural Americans enlarge their income opportunities. In addition, 15 loans to rural cooperatives for \$302,000 have been made to help these coops provide needed services to low income families.

Our experience these past four years has taught us two important lessons:

*With adequate funds and sufficient technical assistance, the rural community can reach out to provide better opportunity for rural Americans. We have shown that rural America has the capacity for growth;

*We cannot duplicate -- and should not try to duplicate -- within the U. S. Department of Agriculture all the expertise and services of the rest of the Federal government such as education, manpower, health, welfare, youth counseling, employment programs, and all the rest.

For the Department as a whole, and for the rural areas development effort particularly, this means that we should concentrate on helping other agencies and programs bring their benefits to rural America.

The President, deeply conscious of the full range of needs of rural America, has acted to insure that rural America has equal access to all Federal services. In his message to the Congress on February 4, he directed the USDA to establish a Rural Community Development Service to provide "outreach" so that every program of the Federal Government will, in fact as well as theory, be available to the rural community that seeks such cooperation. The same month I established this RCDS agency, and its new administrator, Robert G. Lewis, is moving swiftly to carry out the President's directive.

Thus, there is underway an ever enlarging effort to achieve President Johnson's goal of parity of opportunity for rural America. Four years ago, there were many people who said that rural America had little or no potential for growth. The Congress has forged the instruments to give rural America a fighting chance to prove this belief to be wrong.

PARITY OF INCOME FOR AGRICULTURE

The effort to broaden the economic base of rural America must continue. But, as President Johnson sharply and succinctly pointed out in his message to Congress, we must differentiate between the challenge and opportunity in the rural renaissance now underway...and the challenge and opportunity to maintain the strength of commercial agriculture so critically important to the national well being.

Commercial agriculture is a matter of national concern, not because of any failure, but because of a fantastically successful productive revolution.

In the immediate years before World War II, farm productivity was increasing only half again as fast as industrial productivity. If every person then had access to an adequate diet, there would have been no surplus. In the years following World War II, farm productivity has been increasing twice as fast as industrial productivity. We now recognize that we can produce more food than we can consume at home or sell and effectively share abroad.

As President Johnson noted in his letter transmitting the new legislative proposals, if industrial productivity had increased at the same rate as in agriculture, we could have produced the same level of output in 1963 with 8 million fewer people than were actually employed. Instead of four million unemployed, there could have been 12 million; and unemployment benefits would have cost more than \$9 billion instead of about \$3 billion.

These figures provide some understanding of the effects of the output revolution in farming; and they indicate the nature of the adjustment which currently is underway in commercial agriculture.

The fact that fewer than 400,000 farmers earn close to a parity of income means that we must do better for the family farm system which makes it possible for the American people to eat better and at lower real cost than ever before.

Over the past 30 years, the commodity programs which provide price and income support to the farmer while keeping production in check have proved to be the most sensible instrument for dealing with the output revolution. They have helped to strengthen the family farm system while at the same time they have been effective in keeping food supplies roughly in balance with demand.

The proposed Food and Agriculture Act of 1965 seeks to carry forward these goals -- goals which, working together, this Administration and the Congress have consistently supported. The proposed legislation provides several new techniques which will give added flexibility and dimension to the farm commodity programs which we seek constantly to improve:

*Assist small farmers -- whose age, lack of education or physical condition prevents them from shifting to other jobs -- through special provisions which will enable them to earn a better income with their present resources;

*Enable small farmers with the capacity and desire for growth to acquire the resources they need for an adequate size family farm operation, and insure that those who seek to earn a decent living in other than farming or who wish to retire will receive fair and just compensation for their assets;

*Provide the instrument for long-range adjustments in agricultural resources, recognizing that the need for balancing the supply of farm commodities with the demand will be of a long duration;

*Encourage greater use of the marketplace to bring a fair return to farmers in domestic and export sales. We would rely less on tax dollars, and we would seek to move away from use of export subsidies.

Before proceeding to discuss each title of the proposed legislation, let me dwell for a moment on a general point related to this proposal. Some who oppose the legislation proposals have sought to describe it as tax on consumers. It is ironic that many of those who object to the legislation have consistently argued that the farmer should get his return from the marketplace, and the Federal Government should withdraw as an active force. Since S. 1702 would have the effect of removing the government in large part as an active participant in the market, while at the same time protecting the opportunity of the farmer to obtain a fair return, it would appear that these opponents simply want the farmer to be a weak bargainer in an open market. They really don't believe, it would seem, that every person should have equal opportunity to enjoy the benefits of an open market.

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Thus, the argument they are using is both cruel and unfair. The farmer should have equal opportunity to obtain as fair a return as any other bargainer in the marketplace. To do otherwise would be unfair.

But it is doubly cruel to say to the consumer that he is being unfairly affected. In the first place, any increase will be nominal. The farm cost of wheat in a loaf of bread -- which has been about 2.7 cents or below for the past 15 years -- will be increased about seven-tenths of a cent, and the increase for other wheat products will be in that same proportion. Low income families, as I have already pointed out, have been receiving a substantially improved diet through the enlarged direct food distribution program and the expanding Food Stamp program. For example, in the past 11 months, more than 30 million **lbs.** of rice have been distributed to low income families in Puerto Rico. This is about 23 percent of the total amount distributed.

The real cruelty, however, is the implied argument that poverty in one place ought to be reason enough for poverty elsewhere. We can eliminate poverty only by attacking its causes. Spreading it out thin only aggravates the problem for poverty breeds upon itself like a disease. The massive effort now underway in the war on poverty seeks to raise the educational, economic and social opportunities of low income families. In Puerto Rico, for example, the Department has received over 11,000 applications from individuals for loans under the Economic Opportunity Act to help improve their earning capacities. These and the other measures now underway

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are the best way to wipe out the disease of poverty. We should not foster it by fighting programs which will help provide the farmer with a better opportunity to earn a fair return for his skill, investment and hard work.

Let me now discuss the proposed legislation in more detail.

WHEAT

Title I of the proposed act would authorize a program basically similar to the one which was enacted last year which prevented a drastic decline in grower incomes and helped us continue reducing the wheat carry-over. Wheat stocks on July 1 will be below 900 million bushels -- compared with the record 1961 level of 1.4 billion bushels.

The present program expires with the 1965 crop. The alternative to a new program is to fall back on the old legislation which requires a referendum be held by August 1, 1965, to enable farmers to decide whether a marketing quota will apply for the 1966 crop. Farmers would have the same choices as were put before them on May 21, 1963. Approval of marketing quotas would bring into effect a mandatory program with a support level similar to 1965. Disapproval would mean price support at 50 percent of parity -- about \$1.25 a bushel for all wheat. It would cause wheat stocks to go up and income down.

Present legislation calls for support of wheat for domestic food uses at between 65 and 90 percent of parity or an average of \$2.00 nationally

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The bill now before this Committee would permit the maximum level of price support on wheat used for domestic foods in the United States to be raised to 100 percent of parity, or in the area of \$2.50 a bushel. All wheat would move in the market at the same price -- which would reflect a basic loan level related to competitive world prices and the feeding value of wheat. The certificate would be set at the level necessary to bring returns on the domestic share of the crop to 100 percent of parity.

Thus, wheat used for domestic food would bring the farmer in the range of \$2.50 a bushel -- compared with \$2.00 in 1964 and 1965. It is our intention -- if Congress grants the authority -- to use this legislation in 1966 to increase producer returns by about \$150 million and to reduce export subsidy costs substantially. Some 60 percent of our wheat sales are abroad, and this program would make it possible to price this part of the crop competitively in world trade -- and yet to enable U. S. producers to increase their total returns from the crop.

Certain other changes are proposed from the 1965 program. For example:

A "projected" farm yield would be used in computing diversion payments and certificate amounts rather than a farm "normal" yield. The purpose is to establish yield data which will more nearly reflect the yields which farmers actually obtain.

Further, a farmer would be able to place up to 50 percent of his allotment into conserving uses.

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FEED GRAINS

Perhaps in no other area of agriculture is the technological revolution so much in evidence as it is in feed grains. In 1960, corn yields averaged only 54.5 bushels per harvested acre. By 1963, the average yield had risen to 67.6 bushels. Yields in 1964 were down due to drought, but if we have normal weather this year we may see corn yields averaging around 70 bushels -- a rise of 15 bushels or more in five years.

With the feed grain program, we have reduced corn acreage each year by about 20 million acres. If we were producing corn on those acres this year, we estimate an additional corn crop of 70 bushels times 20 million acres, or 1.4 billion bushels of corn. And that would be corn we don't need and could not use -- corn that would go into storage.

The feed grain program has, in the past four years, enabled us to reduce feed grain carryovers from an all-time high of 85 million tons in 1961 to about 56 million tons by the end of this marketing year.

Consider what would have happened in those years without the feed grain program -- in other words, with a 1960-type program in the face of rising yields. It is estimated that total stocks of the four feed grains would have continued the upward trend of the late 1950's and would have exceeded 125 million tons by the end of this marketing year. Ultimately this would have resulted in public costs much greater than the diversion and other payments made to producers in return for voluntarily curtailing production.

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Without the voluntary feed grain program, the feed grain surplus would be intolerable. The action of the Congress since 1961 has enabled the farmer and the American public to head off a serious crisis.

In addition, the voluntary programs have helped to increase farm income. In the four years, the program has increased returns to farmers by nearly \$3 billion. This reflects the increased value of the crops produced, plus the acreage diversion and price support payments. In addition, there were savings in production costs for farmers who diverted acres.

Equally as important, this program has encouraged stability in the livestock sector of the farm economy. The rapid recovery of the livestock industry from its price difficulties of late 1963 and early 1964 could not have taken place without the stable price levels in feed grains which have prevailed for the past four years.

Title II of the proposed bill would extend the voluntary feed grain program that has proved so successful. It would continue all the major features of the program including the authority to extend a portion of price support in the form of payment-in-kind.

The alternative to new feed grain legislation is a return to the problems of the 1950's, with no provisions for diverting acreage from production. Prices would be supported between 50 and 90 percent of parity, but at a level which would not result in increasing CCC corn stocks. This, in effect, would mean the minimum level of about 75 to 80 cents a bushel for corn. The increased yields and land available for production would mean that the gains of the past four years in reducing feed grain stocks would be

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lost in probably only two years. Returns from feed grain would be down, and low feed prices would eventually spread as a disruptive influence to the livestock-dairy-poultry economy.

No one will deny that, in terms of total dollars, the feed grain program is expensive. But in relation to the number of farmers who participate in it, or in terms of the number of acres or cost to value of production, the feed grain program costs less than any other program for basic farm commodities. The feed grain program, directly or indirectly, affects more farmers than any other program. The farmer who grows grain for cash, or who feeds his production to livestock, or the livestock or poultry producers who buy his feed -- all these are tied to the program, and together they account for the largest single segment of the agricultural economy. Stability in livestock and poultry begins with stability in the feed grain economy. Title II of this legislation would enable the stability we have achieved today to continue.

RICE

Title III proposes to maintain farmers' incomes from rice while substantially reducing the cost of the program. It is fair to say that the Congress and the Administration have done much to strengthen the position of rice farmers and the industry. Let me summarize a few of the actions that have been taken in the past four years ... and the important trends that are taking place.

First, price supports were raised in 1961 to \$4.71 a hundredweight (national average) from \$4.42 in 1960. The national support price remained

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at \$4.71 through 1964; it has now been reduced about 5 percent, but remains at \$4.50 a hundredweight. And with rising yields, national returns should remain at 1964 levels.

Beginning in 1962, rice acreage was increased from the 1.6 million acres that had prevailed during the late 1950's. This year the national acreage allotment is 1,818,638 acres, virtually the same as in 1964 and about 10 percent above the minimum national allotment set in the present law.

The United States has now become the third ranking rice exporter in the world, replacing Communist China and following right behind Thailand and Burma. In 1963, our total exports amounted to over 41 million hundredweight. Something over 45 percent of this rice was exported under Public Law 480, and the remainder required an export subsidy of about \$1.60 a hundredweight in order to be competitive in world markets.

Meanwhile, rice production in the past two years has run 70 to 73 million hundredweight. Acre yields, under the impact of improving technology, have increased from about 2,500 pounds per acre in the early 1950's to about 4,100 pounds today, and the end is not in sight.

The rice farmer, as a result, is much better off than he was five years ago. From 1960 to 1964, farm returns rose 45 percent. Rice farmers have perhaps fared better in terms of income than any other commodity group except for sugar and soybeans. This improvement in grower returns is most gratifying to all of us. We have worked hard to help achieve this, and we are most appreciative of the opportunity of working with the Chairman of this Committee who has given a great deal of attention to rice while at the same time he has continued his active concern with the other commodity programs that mean so much to American agriculture.

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As gratifying as the present program has been in improving the lot of the rice grower, it is increasingly apparent that something needs to be done to reduce the costs of the rice program -- particularly if the producer can be protected and the gains made these past few years continued. The costs to the public have been high -- due largely to the high participation of rice in the P. L. 480 program. In fiscal 1964, the overall rice program -- P. L. 480, export subsidies and price support -- costs a total of \$180 million which is equal to about half of the gross farm value of the crop, or about \$100 per harvested acre. It is essential that we reduce the cost of the rice program so it is more nearly comparable in cost to other commodity programs. To do this, we have only two alternatives.

The first would be to reduce price supports to the statutory minimum of about \$4.25 per hundredweight, to reduce acreage by 10 percent to the statutory minimum of 1.6 million, and to reduce P. L. 480 programming by a third. While this would reduce program costs by some \$50 million, there are some less acceptable effects. Gross farm income from rice would be reduced by 15 to 20 percent and net income by much more. The effects of such actions would be especially serious in the case of the small rice producer. Therefore, if the Congress decides we should proceed along this line under existing authority, we suggest that special provisions be included to protect the allotment of the small rice producer as we now do in other major commodities. In addition, we would suggest that the Congress consider authority whereby the income of the small rice producer could be augmented to minimize the adverse effects of a lower price and smaller allotment.

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The second alternative -- which I am about to recommend -- would bring a reduction in costs of 40 to \$50 million and would actually increase farm income from rice. This plan would increase a producer's return from his rice consumed domestically while pricing his export rice at competitive world levels. Farm income could be raised by some 20 to \$25 million over the 1965 returns and 10 to \$15 million over 1964 -- with special benefits for small growers.

Title III embodies the second alternative, and we recommend it strongly. It is not perfect. The specific provisions are, of course, susceptible to modification. But we are convinced that something like the two-price plan, because of the effects on farm income, is the preferred alternative.

Under Title III, marketing quotas and acreage allotments would continue in use, the program being subject to a grower referendum with a two-thirds majority required for approval. The minimum national allotment would be modified -- so that it would be expressed in terms of hundredweight of production, just as this Committee did for wheat several years ago. I might add, with this program we can now foresee no need to reduce rice acreage.

The proposed law would create two levels of price support. Marketing certificates would be issued on the portion of the crop used domestically -- 35 to 40 percent in the case of most growers. For all rice, the loan rate would be near competitive world prices; for certificated rice,

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total support for that portion (35-40%) certificated would be brought up to a range of 65 to 100 percent of parity. The extra certificates to the small grower would come from the CCC -- so that the large grower would still get his fair share of the domestic market.

The bill proposes a special small farmer provision permitting the relatively small producer to receive certificates on a larger share of his crop.

We are confident that this program would improve grower incomes above 1964 and 1965 -- since each grower would be getting a higher price for his share of the domestic market than the average price he is getting now. At the same time, most of the remaining 60 to 65 percent of the crop would move into export at world price levels, relieving the government of virtually all export payments and substantially cutting the cost of rice shipped under Food for Peace. This would bring a sharp reduction in government costs.

It is our view that a certificate type program for rice offers a realistic, workable solution to the dilemma of reducing program costs without adversely affecting the income of rice producers. However, as I have indicated, we are not rooted to specific provisions, and we are eager to work with the Chairman and members of this Committee to perfect a rice program that will at the same time cut costs and increase the income of all producers.

It can be done.

WOOL

Title IV would amend and extend the Wool Act which has worked quite well for the past 10 years. It was enacted in 1954 and extended twice -- in 1958 and in 1961. During these years direct payments to growers have encouraged wool production, which otherwise would have been much lower than it is today. This is one of the simplest of our price-support programs, and it has the advantage of enabling the Government to avoid becoming involved in the wool merchandising business.

Among key changes, this bill would abolish the old policy of encouraging domestic production at a specific level -- 300 million pounds currently -- and provide for wool supports at a level to encourage the domestic production of as much of our needs as is feasible without depressing returns to producers for lambs.

Provision would be made for three graduated levels of price support based upon each producer's marketings during the marketing year, and smaller producers would get higher support for their wool. Most of the nation's 248,000 wool producers would qualify for supports on all their production in the higher of the three levels, or between 75-90 percent of parity or from 62 to 74 cents a pound. Some 233,000 producers would fall into this category.

Of the remaining 15,000 growers about 10,000 produce from 2,000 pounds to 7,000 pounds of wool annually. They would receive supports at the high range for the first 2,000 pounds. On all remaining production up to 7,000 pounds, they would receive supports of from 70 to 85 percent of parity.

The other 5,000 producers, who are the largest, would receive supports on the high and middle range exactly as do other producers. On all

(more)

wool produced in excess of 7,000 pounds, these large growers would receive support of between 65 to 80 percent of parity.

The effect of the three-level approach would be to raise the minimum support under the Wool Act from 60 to 65 percent, thus benefitting particularly the smaller growers. At the same time, the program would continue to provide stability throughout the industry.

CROPLAND ADJUSTMENT PROGRAM

I regard Title V as the most basic and perhaps the most essential feature of the entire bill. It is, I believe, a realistic, reasonable and humanitarian effort to come to grips, on a long-term basis, with the over-capacity in agriculture. It recognizes that, while we have acreage we don't presently need in crops, there is no such thing as unneeded land. Every acre of land in this nation is precious to every American -- and is not to be wasted through neglect or abuse or in the production of unneeded and unused farm production. Cropland Adjustment is not a commodity program -- but a program for people.

In each of the past four years, we have harvested crops from fewer than 300 million acres -- out of some 460 million classified as cropland. Some of the unharvested acres -- about 60 million acres -- are now diverted to conserving uses under government programs. But some acres are under expiring contracts, and may soon return to production. This land, and much acreage now in annual programs could well be shifted to long-term non-cropping uses -- and not idled or shelved or banked, but used.

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By removing acres now primarily in allotment and price-supported crops from production on a longer-term basis, the Cropland Adjustment Program would greatly reduce program costs. The legislation would authorize the Secretary to enter into five to ten-year contracts with landowners during the five years, 1965-70, and this is especially important as a supplement to the wheat and feed grain programs. A portion of the acreage now diverted under those programs would begin to go under the longer-term program, and over a period of years the number of these acres would increase. In the first year, if only 8 million acres came into the program, estimated tax savings from CAP would be about \$35 million on the acreage which otherwise would have to be dealt with under annual programs.

If this program can be built up to about 40 million acres after five years, it will reduce our dependence on annual programs and save up to \$200 million a year. At the same time, these acres not now needed for grain production could be used to meet needs of other kinds -- for woodlands, recreation, open space, wildlife, beautification, watershed protection, and pollution control. Grazing would not be permitted except in emergencies.

I would like to strongly emphasize two points. One has to do with comparisons that have been made between the CAP and the Conservation Reserve of the Soil Bank. It is true that both are long term land retirement programs -- but there the similarity ends. There are very important differences in the two programs, and I should like to summarize them for you:

(1) The first acreage to go into the CAP on any participating farm would have to be farm allotment or base acreage for crops now covered by annual commodity programs. This would maximize the savings in commodity programs costs, and would avoid taking into CAP land that does not now account for much crop production. It would direct the program at those crops now in surplus. Payment would be based on the crops reduced and the quality of the land placed in the program. In this sense, it is a "rifle" aimed at surpluses rather than a "shotgun" aimed simply at signing up land.

(2) To protect local communities, the program would be administered in such a way as to restrict the total acreage that might be diverted in any one county. This would avoid severe harm to a county's farm base, as sometimes happened in the early days of the Conservation Reserve. In the case of C-R, such a limitation was put administratively into the program after it had been in effect for a time.

It has been suggested that in parts of the South, the cotton economy might be harmed if farmers put cotton allotments into CAP instead of releasing them for reapportionment. While we would not expect to take enough cotton allotments under contract in any one areas to be detrimental to the local economy, we believe there are situations where farmers who have been releasing cotton allotments are as entitled as other growers -- wheat and feed grain for example -- to the benefits of an adjustment program. Cotton growers are as likely as other farmers to need help in retiring or assistance in taking advantage of off-farm employment. We would, as I say, operate the program in such a way as to avoid a harsh impact on any community or on the business interests concerned with cotton.

(3) The Cropland Adjustment Program would not encourage whole farm enrollment, as did the Conservation Reserve. Farmers left the community, and even the State. I know from my own observation that this happened in northern Minnesota, with destructive effects on rural and small town institutions. The Cropland Adjustment Program would, in contrast, make it possible for farm people to gradually retire, without loss of income, and remain on their own land in their own community. Of the 3.5 million farms in America, some 1.4 million are operated by people 55 and over. Many of these would be attracted into CAP, and very few would be encouraged to pull up stakes. Similarly, the younger farmer who needs off-farm employment would be helped to stay on the land with his family.

(4) The Cropland Adjustment Program would discourage arrangements under which a professional man or business man in a city or town would be able to acquire a farm specifically in order to enroll it in the program and have the Government help pay for it. A farm, in order to be enrolled in CAP, would have to be owned and operated for three years by the individual who puts it into the program.

(5) In the case of the Conservation Reserve, land was simply locked up, and no attempt was made to use it. Under the CAP, the Administration would seek every possible way of getting public benefit from the land. The new enthusiasm for conservation, pollution control, and the preservation of the natural outdoors offers a great many possibilities for the wise use of this land.

And this brings me to my second point. The Cropland Adjustment Program has a broad and long-term significance for all people. It is not a program which benefits the farmer alone.

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Conservation practices on CAP land would help insure a steady supply of clean water for home, industrial and recreational uses. The land in CAP would be covered with grass and trees year round, and its wide dispersion throughout the Nation would provide benefits to large segments of the urban population, many of whom now have little opportunity to enjoy the outdoors.

The CAP would encourage local government, including cities and towns, to acquire land for outdoor recreation use. This would help local governments to preserve open spaces, to protect wildlife, to provide recreation, and to prevent water pollution. For example, a local government might want to acquire land for a park or other public use, and the Federal Government would, under certain conditions, be able to reimburse the local agency. We will encourage farmers to make the CAP land available to non-farmers for recreational use.

Shifting acres out of unneeded crops into conservation uses benefits all the public -- not just farmers. The farmer makes his land available for uses that benefit the public more than himself. The public in fairness contributes to the cost of this adjustment. This is part of the philosophy behind the Cropland Adjustment Program. This is a farm program to serve farm and non-farm people alike.

There would be provision in Title V to permit the Secretary to protect crop and acreage history on land which the owner is shifting to more desirable uses -- with or without a formal adjustment or cost-share program. This would provide protection for farmers entering into CAP, but it also would apply to cooperators in other Federal programs. Of course, farmers who already have history protection under existing law would not have this safeguard disturbed.

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TRANSFER OF ALLOTMENTS

Title VI of the proposed Food and Agriculture Act would authorize transfer by lease or sale of acreage allotments. This would provide a number of advantages in the case of crops for which mandatory programs are in operation, or for which little acreage is planted outside allotments. It is doubtful that it could be used for crops, such as feed grains and wheat, with voluntary programs and substantial non-compliance.

The transfer or sale of allotments, as contemplated in this bill, would be carried out within a number of stringent guidelines, to prevent abuse and to avoid harm to the economy of any producing area. For example:

- (1) Transfers across State lines would not be permitted.
- (2) Transfers would be authorized only if the operation of the program would not be impaired.
- (3) Lienholders' rights would be protected.
- (4) Downward adjustments would be made in allotments which were transferred to a farm with a substantially higher yield per acre.
- (5) The size of resulting allotments would be limited within the basic objective of allowing the transfer of enough allotment to provide a good living on a family-size farm.

We have had experience in the transfer of tobacco and rice allotments, and this has been generally successful. Existing law provides for the lease and sale of tobacco allotments on an annual basis among farmers within the same county. Provision is also made for the transfer of rice allotments among experienced producers under certain conditions. With proper controls, such transfers have proved beneficial to farmers and to the economy.

Allotments for other commodities may be transferred on a temporary basis through the release and reapportionment procedures, which provide no return to the farmer who is giving up an allotment and cause considerable administrative headaches to our ASC committees. Also permitted are limited upward adjustments in allotments for certain categories of farms, but these adjustments are usually at the expense of other farmers having allotments, and the results are seldom satisfactory.

The proposed new authority would be especially helpful to many families with low incomes. For example, in the case of a small-allotment cotton grower who goes out of cotton production, this would enable him to receive a monetary return in exchange for giving up an allotment in which he may have invested years of toil and sweat. The way it is now, he simply gives up his allotment through release and reapportionment, and gets nothing for it. Or it is lost to the county and State total allotment because of non-planting.

On the other hand, it could be beneficial to young men who want to get into the farming business but are discouraged by the need to buy high-priced and sometimes unneeded land. Sound procedures based on proper legal authority is the wisest way to meet the need for the transfer of allotments.

DAIRY PRODUCTS

Another subject not included in S. 1702 but which deserves attention in any survey of legislative needs is dairy products. Some progress has been made in improving the economic position of our dairy farmers -- but it is not enough.

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On the plus side, cash receipts of farmers from the sale of dairy products exceeded \$5 billion this past year -- a rise of some 9 percent in five years. At the same time, we have been able to reduce the Government's program costs -- from an expenditure of \$600 million as recently as three years ago to a level of about \$360 million this past marketing year. And Government stocks of dairy products have been reduced.

Nevertheless -- and I view this one of the most serious problems in agriculture -- the net income of the dairy farmer is dreadfully low. Dairy farmers and their families are earning hourly wage rates that are not only far below the national minimum wage level but also are below those earned by farmers in any other kind of farming or livestock enterprise.

We have tried, and tried hard, to develop a comprehensive dairy program. We have worked with the dairy industry from producer to retailer; we have explored programs and legislative avenues of many kinds. Unfortunately, so far there has been little agreement within the dairy industry. As a result, no proposals have yet commanded the support necessary to be enacted into law. I know that this is a problem for the Committee as it is for the Administration.

Nonetheless, positive steps can and should be taken to improve the economic position of the dairyman. I believe that enactment of legislation authorizing the use of base plans in Federal milk order markets as proposed in S. 399 would be a step in the right direction. In markets where producers elected to adopt a base plan, as provided for in this bill, there would be an incentive to hold down increases in milk production. This would help reduce present surpluses to the benefit of all.

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S. 399 would not impose barriers on the entry of new producers to markets adopting a base plan. Its provisions would leave the door open for needed, yet equitable adjustments within the industry.

We should pursue other ideas as well, giving careful consideration to the dairy proposals in various pending bills. These include dairy consumption incentive payments, authority to buy dairy products at above the support level for program uses, and a marketing agreement for manufacturing milk. We are studying such proposals with a view to submitting recommendations at a later date.

COTTON

Although changes in the cotton program are not proposed in the bill we are considering today, this is a subject of interest to the Committee, and I know that its members share my concern about cotton problems. We have been operating for over a year under the cotton law which eliminated the old two-price system that had been in effect since 1956. There have been some favorable and some unfavorable developments.

Domestic consumption is up about 800,000 bales over last season. Farmers did well in 1964 -- producing 15 million bales on fewer than 14 million harvested acres. The farm value of production continued at a high level -- a little under \$2.3 billion including domestic allotment payments but not cottonseed.

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The trend in stocks and costs is not so encouraging. During this season, carryover stocks will increase by 1.4 million bales. Exports will be down to about 4.5 million bales, compared with 5.7 million last year. The cost of the program to the Government on an expenditure basis will reach nearly \$900 million for the fiscal year 1965, although \$150 million of this amount cannot fairly be attributed to the programs for the 1964-65 marketing year which began last August 1. These costs included various payments attributable to programs in effect before that date plus advance payments made this spring to producers signing up to reduce 1965 cotton acreages under the domestic allotment program.

The overwhelming majority of cotton experts believe that U.S. cotton must be fully competitive in domestic and export markets. With this in mind, President Johnson said in his farm message that: "The cotton program of 1964 should be extended and improved. It is essential that cotton be competitive with other fibers and in world markets. At the same time, we must adopt measures to reduce the cost of this program and the level of stocks."

A basic improvement which I hope this Committee and the Congress will give strong consideration is to free the Government of the responsibility of buying and selling cotton. This is a task we do not want, and one we cannot perform as effectively as the open market.

It becomes especially important in the current crisis, for the old axiom "export or die" is particularly true in the case of cotton. Historically we have exported one bale in three. With rising yields and growing competition, increasing attention must be given to the foreign market.

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After four years of experience, I am convinced the best way -- as a practical matter -- to maximize American cotton exports is to move cotton through the private trade freely at world prices. We can best accomplish this through a low loan rate -- near the world price -- that would permit cotton to move freely into export. Grower income could be supplemented by direct payment in cash or in kind or by diversion payments.

We look hopefully to this Committee, the industry ... growers and their organizations ... for agreement on a program which will increase cotton exports, strengthen farm income, reduce surplus stocks, and bring government costs down to the Administration's goal of around a half-billion dollars. We stand ready to work with you toward that end.

CCC SALES POLICY

At this point, may I comment on the proposals to increase the Commodity Credit Corporation's minimum price for sales of grain stocks on the open market. A number of bills before the Congress would raise the minimum from 105 percent of the loan rate to other levels as high as 125 percent -- plus reasonable carrying charges in each case.

One of the stated objectives of these proposals is to make maximum use of market forces in guiding production. I agree with this objective. The market can set values and quality differentials far better than the government. I believe in the government staying out of the marketplace as much as possible. Yet if we are to have commodity programs there will be situations where some participation by the government will be necessary.

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In the past four years, by reducing wheat supplies by 500 million bushels and feed grain supplies by nearly 30 million tons -- and at the same time gradually increasing farmer prices -- the policies of this Administration have strengthened the marketplace and enabled the private trade to handle the production and flow of grains. The programs of the 1950's would have put the government further into the grain business, instead of reversing that trend.

The CCC's minimum sales price of 105 percent of price support plus reasonable carrying charges has worked well as part of the overall policy of strengthening market prices while reducing supplies. Under this policy, we have been able to bring production below consumption, raise farm prices and stabilize the livestock economy. On the other hand, a higher minimum sales price would threaten destruction of the grain programs that have worked so well.

I have already documented the success of the wheat and feed grain programs in reducing stocks. There is no basis of fact in charges that the sales policy of the CCC has reduced farmer prices. During most of the 1950's, the market price of corn averaged below the loan level -- from 6 to above 20 cents.

In 1961 and 1962, the market price remained below the loan levels, and the CCC sold a good deal of corn at the market price. This was done to protect participants in the program and to maintain feed price stability for livestock producers. Loan rates had to be higher than now because grower returns were not supplemented by price support payments as they are now. I would emphasize that that sales policy -- in 1961 and 1962 -- was clearly outlined by the Secretary to the Congress before the first feed grain program became law. In any case, this is now history. The program has changed and the sales policy has also changed.

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Under the current type program with price support payments and a lower loan rate, market prices have moved above the loan level. We have been operating under the program in its present form for two years, and in both years prices have averaged above loan levels. And in all of the last four years, average farm prices for corn (including loans) have been 8 to 14 cents a bushel above the 1960 level. And for the 1964 crop, the season average price received by farmers to-date is higher than for any crop during the past seven years 1957-1963 inclusive. So it can hardly be said that the CCC sales policy has not succeeded. Why then tamper with success?

We have analyzed each of the bills that have been introduced to increase the minimum CCC sales price. We are convinced that to apply any of these bills would destroy the feed grain program within one or two years and weaken the wheat program severely. Such a policy would reduce participation and increase cost. Moreover, it would have an adverse affect on the bright picture of growing grain exports.

The Department has the responsibility for operating the feed grain and wheat programs as effectively as possible for the producer at a minimum cost to the taxpayer. To hold stocks off the market at a price so far above price support levels would defeat these objectives and seriously jeopardize the programs themselves.

Also, in the case of feed grains, the revised sales policy would likely have a seriously disruptive effect on the livestock economy. One of our objectives in administering this program has been stability in the livestock sector. The success of this policy is reflected in the rapidity with which the livestock industry has snapped back after its serious price declines of a year ago.

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To introduce more grain price uncertainty into the business of the dairyman, the poultryman, and the feeder would be poor service indeed to those who have had so much to do with raising the standard of living in this country and who have recently experienced some difficult times of their own.

Nothing raises havoc in any business so much as wide fluctuations in the cost of raw materials. Under the proposals that have been introduced to raise the CCC sales minimum, prices of grains would swing within a wide range -- fluctuating as much as 40 cents a bushel during the course of any one year. This would seriously disrupt the dairy, livestock and poultry industries.

If Congress should apply an increase in the CCC minimum price only to wheat, it would upset the relationship between wheat and feed grains in livestock and poultry feeding. The wheat and feed grain programs are designed so that the farm price of wheat will be competitive with feed grains. Even a very small differential could make wheat non-competitive with feed grains. This, in turn, would destroy the interchangeable feature important to many farmers, particularly those in the West.

The objectives sought by the sponsors of bills to escalate CCC sales prices have largely been achieved. The grain programs have been administered to provide higher farm prices and at the same time to make the maximum use of the marketplace in the management of stocks. We have had a period of unparalleled stability in which prices have risen gradually and benefited everyone. By extending the programs by means of the legislation we are considering today, I believe that we can make even greater use of the market and of the facilities of the grain trade.

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This concludes my testimony on S. 1702. Thank you for your courtesy in listening to my presentation. I would be pleased to answer to the best of my ability any questions you may have.

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un 25, 1965
Thank you for inviting me home for this occasion.

AUG 16 1965

This is for me a very satisfying ... and memorable event.

CURRENT SERIAL RECORDS

I have served now for four very active years as Secretary of Agriculture. There have been many tasks to do and innumerable problems to solve, but during all this time the overriding objective ... the constant challenge ... has been to find the ways to make full use of America's agricultural abundance. So long as there is a hungry under-nourished person anywhere in the United States, anywhere in the world, we have an unfinished task before us.

A measure of that unfinished task is the ironic fact that the unprecedented productive success of American agriculture has far out-paced our ability to make full use of our food abundance. As a result, we have found it necessary to develop means of holding production back lest we strangle our farmers, and depress the national economy, with the substandard prices and low farm income that results when markets are glutted.

There is little joy in cutting back production, or in idling or banking cropland.

There is, rather, sadness and frustration in being unable to use effectively to satisfy human need the food we produce with such incredible efficiency.

Remarks by Secretary of Agriculture Orville L. Freeman at opening of Food Stamp Program in Ramsey County, Minnesota, Food Distribution Center, 12 West Tenth Street, St. Paul, Minnesota, 4:15 p.m. (CDT) June 25, 1965.

But to make progress in getting food to those who need it both here and abroad -- in this there is the joy and satisfaction of meaningful accomplishment in helping to meet the needs of our fellowman. We work much harder in the U. S. Department of Agriculture to make use of our agricultural abundance than to cut back its production.

That is why on this occasion I am truly happy and privileged to be here in this Capital city I know so well and love so much.

Happily, events such as these are taking place now with increasing frequency all over the United States.

The Food Stamp program, which begins operation here today, is one of the great accomplishments of the New Frontier and the Great Society. It bears the stamp of two great Presidents.

It is not always remembered that President Kennedy, in one of his first acts as President, launched the initial pilot food stamp program. He had been overwhelmed as a candidate in 1960 by the paradox of hungry people in a nation of overflowing abundance. While there was little legal authority for the pilot program, the need was starkly apparent. He wanted action. We found the legal authority and we acted.

St. Louis county up on the Range was one of the first six pilot projects announced a few days after the Presidential inauguration in January 1961. The Food Stamp Program from the beginning has been carefully designed and tightly administered.

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Its success can be measured by the results in Minnesota. Up to 15,000 persons in low income families have already enjoyed a better diet from a food budget that has been enlarged by more than a third, on the average. And an additional \$2.4 million worth of added food buying power has gone to strengthen the economy of St. Louis county, and of Carlton, Itasca, Koochiching and Lake counties which subsequently have been added to the original pilot area.

A pilot program, however, cannot run forever. A year ago we faced the decision to translate Food Stamps into a permanent program, or of letting it lapse. That is when President Johnson took hold of the program and set it down as a main element of the war on poverty. With his driving support, the Congress converted the pilot program into a permanent one. We are now proceeding to expand it as rapidly as possible to reach across the whole nation.

As a result, where the Food Stamp program goes into operation:

- *Local retail food store sales will increase 8 percent or more.

- *Markets for farmers will be strengthened more than under any existing program.

- *Families in the program will improve both the quality and quantity of the food they eat. Vegetables, fruit, meat and dairy products will be purchased over the counter and will help brighten the lives of millions of Americans young and old.

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This will happen here in St. Paul just as it is happening or will happen in about 150 cities and counties across the country by this summer to bring more than a million Americans a better share of the Nation's food abundance.

And this is not all. In areas where Food Stamps are not now available, other programs bring food to needy Americans.

In April, 5.4 million people in low income families -- and another 1.4 million in schools and institutions -- received a better diet through the direct food distribution program administered by the U. S. Department of Agriculture.

In addition, during the past school year, nearly 19 million children got a good lunch each day they were in school. Much of this food is provided through the USDA. Local communities purchase an equally significant amount to sustain the largest feeding operation in the world.

And, in the past year, the Food for Peace program carried the product of our abundance to over 90 million persons in more than 100 countries. Each day nearly five ships leave American ports loaded with American foods the American people are sharing with hungry people in the world.

But, as great as these efforts are, they are not enough.

There are still families whose incomes prevent them from sharing fully in the abundance most of us enjoy today who are not reached by these food programs.

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There are still communities unable or unwilling to afford the cost of distributing food that is available without cost.

There are still children in schools without facilities to provide lunches; and worse, there are communities which will reduce or restrict the school lunch programs they now support.

There is still a world where two-thirds of its people know hunger as a constant companion.

Our accomplishments in using abundance demonstrate that we are capable of ending hunger, and our potential for abundance shows us we have only begun to test our capacity to use it.

This ceremony then is not so much a celebration of an accomplishment as it is a beginning of a joyous and exciting challenge -- a challenge which can only come to a Nation blessed with abundance.

I hope and pray and believe that we will meet that challenge and the day will come when none of God's children go hungry.

USDA 1996-65

For P.M. Release June 25

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27, 1965
U. S. Department of Agriculture
Office of the Secretary

For Release Sunday, June 27

It is an honor to participate in this 50th anniversary celebration.

On behalf of President Johnson, the U. S. Department of Agriculture, and the entire Johnson Administration, I extend congratulations and best wishes to the Cook County Forest Preserve District, to the Board of Commissioners and the 5 million citizens of this great metropolis who both enjoy and support these wonderful facilities for recreation and re-creation. Here you have opportunity for casual fun and for spiritual regeneration.

This is not only a beautiful and useful public asset, not only a monument to the foresight of leaders who established and developed this area -- it is an example to all who live today, proof that the battle against ugliness and noise and pollution can be won.

Here is proof that men and women with vision and determination can build for themselves and their descendants a better place in which to live. This is a challenge to you and to me.

The challenge is the more real because your success came hard. The example you offer is one of hard work and perseverance as well as achievement.

X Address by Secretary of Agriculture Orville L. Freeman at 50th Anniversary of Cook County Forest Preserve District, Chicago Zoological Park, Brookfield, Illinois, Sunday, June 27, 1965. X

In the U. S. Department of Agriculture Library, we have a good deal of historical literature about this Forest Preserve District. Scanning it we are reminded that your success was achieved against great odds. In the late 1800s Chicago was growing at a terrific rate in size, population, wealth and complexity -- and also in its output of smoke and sewage, in creation of slums, in problems of health, education and recreation. Some people who made their fortunes in Chicago moved elsewhere to enjoy life.

Complicating the situation was the influx of foreign-born people, many of whom were poor and disadvantaged but who were accustomed in their old countries to publicly supported parks.

A leader of that period -- Dr. John Rauch -- wrote vigorously of the need for parks, saying "...we want not alone a place for business, but also one in which we can live."

Fortunately, good citizens took an interest. Many of the famous names of Chicago history are associated with the Forest Preserve. Also by good fortune, the Forest Preserve had the benefit of competent metropolitan planning.

Very early, according to the records, the Special Park Commission of the Municipal Science Club recommended (and I quote): "Instead of acquiring space only, the opportunity exists for reserving country naturally beautiful."

In 1909 the "Plan of Chicago" prepared under the direction of the Commercial Club stated that "nearby woodlands should be brought within easy reach of all people, and especially the wage earners," because of the restorative value of natural scenery to city dwellers.

While areas have been allotted for the zoo, playfields, golf courses, picnic grounds and other important intensive uses, the emphasis through the years has remained on natural forests, natural beauty.

As Anton J. Cermak said in his report as President of the Board of Commissioners in 1925: "This has been a unique venture in combining the beautiful and the practical."

In the 1921 report is the record of a meeting honoring the memory of the first president of the Board, Peter Reinberg. On the cover of the book is a poem:

"The kindest thing God ever made,
His hand of very healing laid
Upon a fevered world, is shade.

Green temples, closed against the beat
Of noon time's burning glare and heat
Open to any pilgrim's feet.

This is God's hospitality,
And who so rests beneath a tree
Has cause to thank him gratefully."

The need for natural beauty is not new. It is very old.

Recognition of the need is not new either.

But we do have a new expression of that need -- a new call to action --
a new challenge.

We are rich and powerful and advanced in scientific achievement, yet we continue -- thoughtlessly or ruthlessly -- to pollute and despoil the earth on which we live. We foul our environment to such an extent that we rob our lives of the joys that could easily be ours -- the simple joys of being alive, of being human, of being children of God in the universe of His creation.

Today we cannot even be sure we are fulfilling the most elementary animal instinct -- the preservation of species. For the would-be human population of the future may find an earth not only bleak and bereft of joy but unfriendly to life itself. Destruction and pollution and uglification of our vital resources are the suicidal, manmade enemies of man.

And if the richest Nation on earth--blessed with Democratic institutions -- cannot build for the future, pray tell, what hope is there for the earth as a whole?

Fortunately, the Nation is awakening to the danger and facing the challenge. President Johnson with his genius for expressing the will of the people has called for a new drive to regain and retain the natural beauty of our country.

As he stated it in a recent message to the Congress:

"The beauty of our land is a natural resource. Its preservation is linked to the inner prosperity of the human spirit."

In this statement, President Johnson has not merely expressed his own philosophy -- although he has done that in admirable fashion -- but he has sensed and put into words that you and I would have been proud to utter the feelings, belief and determination of the whole people.

We recognize that the love of beauty is one of the most fundamental attributes of human nature -- one of our finest attributes. We recognize also that natural beauty is one of the most important dimensions of our practical goal of conserving and revitalizing our natural resources.

It is suddenly clear to us that our concept of conservation has been growing and taking new form, escaping old cubicles and dividing lines, emerging as a new philosophy.

The new concept is characterized by unity.

No longer can there be separate compartments in the conservation world -- no compartment for soil conservation apart from beauty preservation, no longer a wall between wildlife protection and agricultural conservation, no longer a forestry objective separate from the interests of the grasslands, no longer a policy question as to multiple use of water resources and, finally, no more a disunity between city and open country.

Perhaps there is symbolic significance as well as practicality in the fact that the Secretary of Agriculture is chairman of the Recreation Advisory Committee of the United States government.

The conservationist of 1965 is an exponent of natural beauty in its many forms for the enjoyment of all the people -- he is an enemy of preventable ugliness.

The modern conservationist is a proponent of the principle of sustained economic use of resources -- an opponent of mere hoarding and an enemy of waste -- waste in any form, including erosion, fire, or uneconomic production.

The conservationist of 1965 is an advocate of open space and quiet areas -- an enemy of crowded slums, filth, and air filled with stench, poison fumes, and fallout.

The true conservationist of today sees the union of resources and values on which humanity depends, and he would preserve that union! He sees the world of conservation as one world.

The love of natural beauty is a great unifying force in the modern conservation movement. As President Johnson said, "...we can introduce into all our planning, our programs, our building and our growth, a conscious and active concern for the values of beauty." In agricultural terms, we can express this ideal as a concept of multiple use management. Under multiple use management, natural beauty can be developed and maintained; food, fiber, wildlife, recreation, forage and timber can be provided; soil and water can be conserved.

In our National Forests -- which comprise 19 percent of our country's commercial timberland -- we no longer think of ourselves merely as custodians and protectors. We practice multiple use management to the end that the greatest possible number of people may benefit.

In community programs such as small watershed projects on private land, we combine flood control with municipal water development, recreation, and farmland conservation.

In our public partnership with farmers for conservation work on individual farms we encourage the use of practices which not only conserve soil and water for agricultural use but also provide better conditions for fish and wildlife and recreation for the public.

Let me give you some illustrations of our multi-purpose conservation activities.

Here in Illinois 50,000 to 60,000 farmers do partnership work with you every year through the Agricultural Conservation Program. With cost-sharing assistance from you and the rest of the tax-paying public, they build ponds which are a boon to waterfowl, an aid in flood prevention, and a means of helping maintain the ground water table. They establish grassed waterways to dispose of runoff water without the erosion of soil. They plant trees.

Down in Johnson County last year 150 farmers -- every farmer in one particular area -- cooperated in a special pooling of funds under the Agricultural Conservation Program -- and they built 80 ponds and established a protective grass cover on 3,000 acres. The result was a great boost in conservation -- and in beautification.

A similar project is under way this year in Clark County.

In Henderson County, along the Mississippi River, we have a special ACP project under way to heal the ugly gullies in the bluffs and to reduce the siltation of streams and reservoirs below.

In my home State of Minnesota, farmers in one county, in just one year recently, planted well over 3-1/2 million trees on 3,000 acres. They did this with the help of the ACP.

The farmers in Minnesota and other nearby States are being encouraged to plant oats for wildlife on land diverted from market crops under the feed grain program. This should make a lot more good cover for nesting birds and a lot of feed for them as well.

In projects of this kind we have the cooperation of several agencies and many people -- the Agricultural Stabilization and Conservation Service, which administers the program through the farmer committee system; the Soil Conservation Service, which provides technical assistance; the Federal-State-County Extension Service, which carries out educational responsibilities; the Farmers Home Administration, which makes loans for conservation and development, including recreation, to eligible persons and groups; State agencies responsible for work in forestry, and in fishing and wildlife; soil conservation districts; conservation organizations; local civic organizations; business and professional people; and, of course, the farmers themselves.

Here in Illinois, 99 percent of the farms are in locally organized soil conservation districts that have been set up under State law. Our technical assistance is provided through those districts in which there are 65,000 cooperators. The Department also works with local groups, usually soil conservation districts, in planning and developing small watershed projects for flood prevention, water supply, recreation and other public purposes. In your State, local groups have made formal application for 56 of these watershed projects, and so far nine have been approved for operations with 17 more approved for planning.

In Lake County the Regional Planning Commission and other local agencies are using for urban purposes the soil survey maps that were made primarily for soil conservation use on farms. These maps have been used to help prevent the location of home developments where basements will flood or where soil is not porous enough for septic tanks or for drainage of lawns and gardens. They are also used to help road builders avoid unstable soil and to help in selection of trees and shrubs that will do well.

You have seen from a hilltop or from an airplane the graceful lines of crops planted on the contours of sloping fields. This beauty came about for a practical reason: We had to fight erosion. Farmers and public together have done it, the public providing the technical, educational and cost-sharing help that the public interest justifies -- farmers providing their labor and a big share of the dollar cost. We now have 40 million acres, nearly a tenth of our cropland, on the contour.

In our agricultural extension work with 95,000 4-H Clubs, and with home demonstration units, garden clubs and other organizations, we provide and emphasize education on beautification of home and community.

Our agricultural research people do a great deal to improve varieties of ornamental plants and their culture. Our loans for rural telephone and electric systems are used increasingly for lines that run underground rather than on poles that are sometimes very noticeable and unsightly.

We have credit programs that enable many people on farms and in rural towns to build new homes to take the place of rundown houses and shacks.

Since 1962 we have made loans to 133 non-profit rural associations to build community recreation facilities and to 375 farmers to develop income-producing recreation facilities.

In 616 small watersheds we are working with local groups, largely soil conservation districts, to build dams and develop the resources for flood prevention, watershed protection, erosion control, municipal water supply, fish and wildlife, and recreation. In these projects, the public provides technical help and part of the dollar costs; the local groups provide the rest.

We have cooperative forestry work involving the U. S. Department of Agriculture, State and local agencies and individual owners of woods and forests. The people working in this field report that in the 12 months just past about 950 million seedlings were planted on well over a million acres, and fire protection was provided for well over 400 million acres.

You undoubtedly know a lot about the National Forests. There are 154 of them and 19 National Grasslands, all owned by the public and managed by the Department of Agriculture. We recorded 134 million visits by persons seeking recreation last year. The National Parks administered by the Department of the Interior enjoyed similar popularity. As it is here in Cook County, some of the visitors to public lands wanted strenuous activity; others -- or the same persons at different times -- wanted just to enjoy quiet and beauty. Not incidentally, the National Forests include thousands of miles of free-flowing wild rivers and 14-1/2 million acres of primitive areas and wilderness.

I have given you examples and an abbreviated checklist of activities in which the Department of Agriculture is involved to indicate in general what can be done for natural beauty and conservation when the public cares enough.

In a democracy we tailor method to the job. In the Cook County Forest Preserve District and in the National Forests, we see public ownership. In some of our watersheds we see teamwork between Federal agencies and legally constituted local groups. On our millions of farms, we see the individual in league with the public through local, State and Federal agencies.

Much is being done to benefit the people of both city and country. Much that is being done contributes not only to our material welfare but also to our enjoyment of beauty and our opportunities to re-create our inner lives.

The programs through which we are making this kind of progress have had the support of most of your members of Congress, even when ill-informed people and mass media at times labeled them as government interference, or subsidy farm program. I salute them for their courage and farsightedness.

But so much more needs to be done.

And right now we have a tremendous opportunity to take another gigantic step forward. The proven philosophy and principle of unity and use in conservation can if we are wise and alert be constructively applied once more -- this time in the Great Society farm program now pending before the U. S. Congress.

We are in the vortex of an amazing technological revolution. Science and capital in combination enable our farmers to keep on increasing output of crops year after year. We are diverting surplus acres by means of our feed grain program and other commodity programs as a means of holding back surpluses that otherwise threaten the Nation's economic well being and the welfare of the farmer. But as we take out of production the land not needed in producing food, let us use our common sense and -- rather than merely retiring this land or banking it -- put it to use.

Right now Congress has before it a proposed Cropland Adjustment Program recommended by the President and the Secretary of Agriculture and various public-spirited organizations, including conservation and wildlife groups.

This program would provide good uses for as much as 40 million acres of surplus cropland. These are opportunity acres for the public. We can put them to use as forested and grass-covered watersheds producing clean water, reducing the erosion of soil and sedimentation of streams. We can use them to create more open space near cities. In fact, one feature of the proposed program would provide direct help for cities in acquiring surplus cropland to meet their needs for parks and open spaces.

We can also benefit as citizens when farmers devote more of their surplus acres to ponds and lakes, hunting areas, hiking trails and other recreation opportunities open to the public. And as we do this we will benefit from reduction in government costs of protecting the economy

against the effects of surplus production. Truly, in this program the basic concepts of modern conservation -- of unity and of use -- can and must be put to work. I commend this program to your study, and I hope you will give it your wholehearted support as a means of carrying out your objectives toward conservation, recreation, and beautification.

Do not be misled by those who narrowly and spitefully attempt to plaster the label "farm subsidy" on this legislation. It is all to the good that it will help meet our commodity problems and help to improve the farmer's income. The main thing is that at the same time it will accomplish improved use and preservation of our national resources. It deals with a whole union of values. It is of interest to every conservationist whether on the farm or in the city, no matter from which part of the old conservation world he emigrated to the one world of today.

Just as truly as it is agricultural, it is urban legislation. As surely as it is a farm bill, it is a beautification bill.

Fortunately for us and those who will live after us, our Nation has the opportunity to choose paths we wish to take toward the future. Despite neglect and waste we still have tremendous resources. We have a large measure of prosperity. We have pride in our Nation, a feeling of citizenship in the world community, and a sense of stewardship as temporary users of the resources of Creation!

Like those who had the vision and the fortitude to establish this Forest Preserve District 50 years ago, we today seek to do our bit toward the building of a Great Society.

In this anniversary celebration, we find good cause to take heart. For here we celebrate a triumph of conservation over despoliation, of beauty over ugliness -- a triumph of the spirit with which man was endowed by God.

For Release Sunday, June 27

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U. S. Department of Agriculture
Office of the Secretary

For P.M. Release June 28

me 28, 1965 I appreciate the privilege of participating in this opening session of the American Seed Trade Association's 1965 convention. And-- because Minnesota is my home--I feel eligible to endorse the warm welcome you have received from Mayor Naftalin.

This is an appropriate setting for the beginning of a new year in the life of your organization. Minnesota's identification with the seed industry dates back well over a century--to 1857, the year Wendelin Grimm arrived in nearby Carver County from Germany. Along with the vision of freedom and opportunity, this immigrant farmer brought with him from Germany a few pounds of alfalfa seed. With a faith fully matched by tenacity, Wendelin Grimm kept saving the seed from those portions of his alfalfa plantings that survived winterkill and putting it back into the soil. Finally he had a large enough supply of acclimatized alfalfa seed to permit distribution to other Minnesota farmers.

One of those farmers might have been my grandfather, who homesteaded in Goodhue County--south of Minneapolis--two years before Wendelin Grimm arrived from Germany.

Address by Secretary of Agriculture Orville L. Freeman before the American Seed Trade Association Convention, Hotel Leamington, Minneapolis, Minn., 10 a.m. (DST) Monday, June 28, 1965.

I doubt if either my grandfather or Mr. Grimm anticipated that by 1965 alfalfa would be growing on nearly 29 million acres of American farmland--almost as many acres as there are in farms in the entire State of Minnesota today.

And I doubt if either of them anticipated that in 1965 an American farmer would be producing enough food for himself and 36 others--because in the 1850's an American farmer was producing only enough for himself and three others.

The fact they could not foresee the era of food and feed and fiber abundance we now know does not imply lack of vision. A hundred and ten years represents a long look into the future. That's true of as few as five years.

I doubt if any of us in this room, as recently as 1960, anticipated the time would come when tax reduction would be followed by increased tax revenue--or that traditional short-term ups and downs in the economy would be replaced by what in a few days will be the fifty-third month of continuous economic expansion.

It is about the national economy....the contributions made to it by our farm families....and the importance of providing agriculture with full partnership in the benefits of economic progress that I would visit with you for a little while this morning.

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A week ago today President Johnson signed a bill in which the Congress authorized reduction of excise taxes. It was the second tax reduction bill signed by the President in the last year and a half-- and together the income and excise cuts will reduce the taxes of our people by about \$18 billion each year.

In the face of these reductions, Federal revenues for the period 1961-66 will grow by about \$18 billion. In the previous six-year period, when there were no tax cuts, the revenue increase was \$17.5 billion.

While taxes have been reduced, the Federal budget deficit has been cut almost in half. The deficit in 1964 was \$8.2 billion. In his January 1965 Budget, the President estimated the deficit for the current year at \$6.3 billion. Today it is estimated at \$3.8 billion.

Commenting on tax reductions, revenue increases, the deficit drop and rising employment and income during the last meeting of his Cabinet, President Johnson said "these solid and significant gains" in our economic structure have come because "Government, business and labor have learned to work together."

And, working together, government and business and labor are all sharing in the results of cooperation.

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The gross national product in the first quarter of this year was \$40 billion above a year earlier, and gains approaching \$25 billion can be expected in the remaining quarters. Industrial production is running more than 7.5 percent above a year ago, while retail sales are almost 8 percent above a year earlier and will continue rising.

The unemployment rate in May was down to 4.6 percent from the 7.1 percent of May 1961; there are a third of a million fewer unemployed than a year ago; and there are 2.1 million more people on nonagricultural payrolls now than at this time last year. Over the past four years, annual personal incomes after taxes have risen about \$265 per capita, measured in terms of constant purchasing power at today's prices.

All this progress and growth is reflected, of course, in the well-being of people and is indeed, as President Johnson said, a tribute to the cooperative spirit and actions of Government, business and labor.

But the picture is much less bright for the farmer.

Because it involves a comparatively small part of the total population....because its accomplishments have been pretty much taken for granted--there has been a tendency to overlook the contributions of agriculture to this spectacular economic growth. Furthermore, there has been....and still is....little appreciation of how important it is, not only to the farmer but to the entire nation, that agriculture should be a full partner in the benefits of our prosperous economy.

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Yet, in substantial measure, it is only because fewer farmers can produce a super-abundance of quality foods....it is only because American consumers can buy more of them at less cost than any consumers anywhere at any other time in all the world's history....that we have been able to invest our human and intellectual and material resources heavily in business and industry, in education and science, and in health and welfare.

The free enterprise, commercial family farm has been--and is-- a key part of the machinery that makes the free enterprise economy of the United States the envy of the world.

There is no greater blessing a nation can know than food abundance at fair prices. Yet, ironically the families providing it in these United States have the potential to produce so much they can sink right out of sight through a shaky price structure or be buried, in effect, under unneeded and unwanted surpluses--unless they have the cooperation of their government and fellow citizens in supply management and price support.

Early in 1961, the Congress started sharpening up the tools for such cooperative efforts in the light of the needs and opportunities of the 60's. As a result, substantial progress toward the goals of parity of income, utilizing abundance without waste, expanding export sales and lowering government costs has been recorded.

Let me touch briefly on some of the highlights of this progress:

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1. Farm income has been substantially increased since 1960.

Gross farm income last year was \$4 billion better than in 1960. Realized net income has been around \$900 million above the 1960 figure four years in a row, and on the basis of current trends we can anticipate it being even better than that in 1965.

These gains didn't just happen. They are the results of effective farmer-government cooperation in purposeful supply management and price support programs. They contradict the pessimist who contends agricultural programs are beyond solution.

2. Grain surpluses have been sharply reduced since 1960. Wheat

stocks have dropped from 1.4 billion to below 900 million bushels, and by the end of October we'll see feed grain stocks down from 85 to 56 million tons. As a result of this five-year cut of over 1.5 billion bushels in excess supplies of grains, taxpayers this year are spending between \$130 and \$140 million less on storage and handling than they were spending in 1960. On a cumulative basis, the actual dollar savings in storage and handling and related charges over the years 1961 through 1964 amount to \$584 million.

And this cutback of unneeded, unwanted, expensive surpluses of grains didn't just happen--it is the result of effective administration of the supply management and price support programs.

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3. Exports of agricultural commodities are running at an all-time high. Exports hit a record \$6 billion in value in the last marketing year. Indications are that at the close of the current marketing year we can point to back-to-back \$6 billion export periods.

These growing markets--and this vital contribution to the return of dollars from abroad--didn't just happen. They are the result of aggressive promotion by American firms and by organizations like the American Seed Trade Association, in cooperation with Government. They also are a result of the policy of eliminating export subsidies and encouraging the private trade to compete at world prices.

4. Utilization of our food abundance at home has been accelerated in many ways since 1960. To help low-income families improve their diets, Congress has authorized a permanent Food Stamp Program. Just last Friday I was in St. Paul to help celebrate the inauguration of this program in Ramsey County, and it will be in full scale operation before the end of this week. Ramsey is the sixth Minnesota county to utilize the Food Stamp Program. Three of the six were involved in the pilot operation that preceded adoption of the permanent program.

Since 1961, participating Minnesota households have had \$2,400,000 added to their food purchasing power by Food Stamps. These extra food dollars have meant better diets, widened markets for farmers, and stimulation of local economies.

By the end of the summer a million persons in 130 areas and communities will be utilizing the Food Stamp Program.

Forty-eight of our States--2,000 cities and counties--are participating in the Direct Distribution Program and it provides more of a greater variety of foods to our people than it did in 1960. When schools are reopened next fall the School Lunch Program will reach more than 17 million children each day.

We didn't just stumble into response in this great area of nutritional need--we moved into it under a full head of steam. Children are better equipped to learn, and job-hunting adults are better equipped to earn, when they have the health and energy that comes from adequate diets.

The four points I've cited are the kinds of actions--and represent the quality of progress--essential in maintaining our commercial family farm system and improving opportunities for the people of rural America to achieve parity of income with other sectors of our society.

But we haven't moved as far--particularly in creating improved income opportunity--as we must move in the interests of farm families and the total welfare. Right now only 400,000 commercial family farms are bringing their operators a wage comparable to that of the skilled factory worker and as much as a 5 percent return on investment. Another 2.5 million farm families are not even earning the minimum national wage of \$1.25 an hour. This is a shameful, shocking situation. In the long run we can't expect competent people and necessary resources to go into food production unless they are fairly compensated.

But, as a result of the progress since 1960, we are not looking ahead from a valley--we are advancing from an already-reached plateau. And the reason we've moved as far as we have is found in the sound, purposeful commodity programs provided by the Congress and utilized so effectively by our farmers.

These programs are now up for renewal in the Congress.

Renewal is not certain.

Yet if the commodity programs are abandoned--if farmers are not kept equipped with adequate tools for supply management and price support--net farm income will drop as much as 50 percent. That's not my prophecy. That's the prediction made by university economists and experts engaged in Congressional studies of the farm economy.

I do not believe we are so totally urbanized we can afford to forget the old admonition that depressions are farm-bred, and farm-led.

It these programs are cast aside, and farm income drops 50 percent, the majority of Americans will soon be wondering what happened to the abundance of reasonably-priced foods....wondering what happened to the millions of rural customers who had been contributing to expanding industrial production and retail sales.

For your own industry, for the steel and farm equipment and auto and truck industries, for the fertilizer and chemical and petroleum industries, and for the household supply and equipment industries there are no satisfactory substitutes for the customers contained in a forward-moving farm economy.

To overlook and take for granted the value of rural America as a source of food and a place for sales is to endanger the nation's economic well-being. Because you know this, I urge you as friends of the farmer and a key part of our great agricultural industry to do even more than you have done in the past to alert every American citizen to the importance of sound agricultural policies.

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Whether we are agreed on specific details or not, all of us want the cooperative programs of agriculture and government to:

1. Continue the advance toward a stable, fair-income agriculture that is firmly based in the free-enterprise, commercial family farm system;
2. Expand opportunities for exports of farm products at world prices;
3. Make the marketplace an effective agent for the determination of production and prices; and,
4. Reduce the agricultural economy's dependence upon the Federal treasury.

Two of these objectives of the Great Society farm program, a broader use of the marketplace to achieve fair farm income, and reduction of the agricultural economy's dependence upon the Federal treasury, are currently threatened.

Let's look at the second of these threats first:

One reason we've been able to reduce government grain stocks and associated costs, and at the same time contribute to stability in the livestock industry, is that we've had a reasonable and flexible policy covering open market sales. However, there are proposals now before the Congress that would raise the minimum sale price of government-held stocks from the present level of 105 percent of the loan rate to as high as 125 percent. These proposals are receiving their major push from some representatives of the grain trade.

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The lock-up of government stocks by fixing arbitrarily high resale prices might temporarily provide somewhat higher farm prices, but that's not certain. However, even if it did, it would be something like the hearty breakfast of a condemned man--temporarily tasty, but totally lacking in sustained nutritional value. The short-term price advantage--not all of which would necessarily be reflected in returns to farmers--could quickly turn into long-term chaos in both the price and supply situation. An inflexible government sales policy would destroy the feed grain program in one or two years by reducing participation and simultaneously increasing the already-high cost. It would seriously weaken the wheat program. Further, it would have an adverse effect on the bright picture of growing grain exports.

We owe it to all the people of this nation to operate the feed grain and wheat programs as effectively as possible for the producer and at minimum cost to the taxpayer. Holding stocks off the market by pricing them unrealistically beyond the support levels would defeat both objectives. Also, the proposed change in sales policy would have a disruptive effect on the livestock economy. The sudden introduction of broad grain price uncertainty into the business of the dairyman, poultryman and feeder would seriously disrupt these vital parts of agriculture.

The other threat to effectiveness of commodity programs centers upon our efforts to fix more of the responsibility for providing fair returns to farmers in the marketplace rather than the Federal Treasury.

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USDA 1988-65

We have in effect now for wheat, and are proposing for rice, a certificate plan which gives producers better returns in the market for the domestically-consumed portions of their crops and at the same time keeps them competitive in world markets without high export subsidies.

These are crops heavily dependent upon foreign outlets.

Opposition to the certificate approach has created unusual bedfellows. Some simply want to wipe out the commodity programs entirely, using a flank rather than direct attack. Others are sincerely concerned about the impact on retail prices and the ability of our people to buy wheat and rice food products.

A fair price in the market is not a tax on consumers.

Let's take a look at wheat, the crop involving the most producers and food buyers. For the past 15 years, the cost of wheat in a loaf of bread has been 2.7 cents or less. During that same period, the price of bread has gone up 50 percent, with little effect on consumption. In fact, in the last five years wheat consumption for domestic food use has been constant and stable. The proposed legislation for improving the current certificate plan would not increase the cost of wheat in a loaf of bread by more than .7 of a cent. The increase for other wheat products might run in that same proportion. At the same time, the 1966 income of wheat producers would be boosted over present returns by about \$150 million, and export subsidy costs would be substantially slashed.

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Actually, wheat prices are a minor factor in the price of processed foods at the retail level. And while it is natural to associate bread with the food needs of low-income and needy families, those who would exploit this association for their own purposes need to be reminded that this is a different world for the poor than when Marie Antoinette advised that they eat cake. Low-income and no-income families today receive substantially improved diets through the enlarged Direct Food Distribution Program and the expanding Food Stamp Program.

Government grain sales policy, and the use of the marketplace to bring about needed improvement in farm income and reduce Federal costs, are controversial subjects. I'm not inviting you to step into the battleground, or urging you to stay away from it. I'm only suggesting that, as representatives of an important sector of the agricultural economy, you look at both sides of the coin.

Perhaps, actually, that is what I am asking all our fellow Americans to do in this time of expanding opportunity for improving social and economic well-being....to look at both sides of the coin--

To appreciate and understand the great story of food abundance, and the part agriculture has played in our nation's total progress...

And to appreciate and understand the vital need for continued agriculture-business-consumer-government cooperation in maintaining and improving the great system of free-enterprise family farming that serves as a model for all the world.

U. S. Department of Agriculture
Office of the Secretary

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Several times in the past few months I have gone to some of the larger cities in this Nation to help launch Food Stamp projects -- a food and agriculture program enacted into law last year as P.L. 88525, better known as the Leonor Sullivan bill.

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These are especially satisfying occasions, for they illustrate better than any 10 speeches the close and indivisible relationship of agriculture to urban areas, a relationship often overlooked.

Let me assure you this relationship is difficult, if not almost impossible, to convey. Last Sunday, for example, I found it was easier to pet a tiger than to convince some hardbitten newsmen that the Department of Agriculture was concerned with the needs of all people, including farmers.

This only proves that tigers are less difficult to get along with than newsmen, or that anyone who holds the job of Secretary of Agriculture shouldn't be afraid of a tiger.

There have been times when I have almost concluded that the job of Secretary of Agriculture makes training a tiger seem like child's play.

It is ironic, for example, that the unprecedented productive success of American agriculture has far outpaced our ability to make full use of our food abundance. As a result, we have found it necessary to develop means of holding back production lest we strangle our farmers --

Remarks by Secretary of Agriculture Orville L. Freeman at opening of Food Stamp Program in the District of Columbia, District Building Board Room, 5th Floor, Washington, D. C., at 10:00 a.m. (EDT) July 1, 1965.

and depress our national economy -- with substandard prices and low farm income that results when markets are glutted.

There is little joy in cutting back production, or in idling or banking cropland.

There is, rather, sadness and frustration in being unable to use effectively to satisfy human need the food we we produce with such incredible efficiency.

But to make progress in getting food to those who need it both here and abroad -- in this there is the joy and satisfaction of meaningful accomplishment in helping to meet the needs of our fellowman. We work much harder in the U. S. Department of Agriculture to make use of our agricultural abundance than to cut back its production.

That is why I am truly happy and privileged to be here today.

Eleven months ago, the Congress enacted the permanent Food Stamp program. Its guiding angel, Congresswoman Leonor Sullivan is here today with me to help celebrate this event.

Currently, projects similar to the District program are in operation in 111 areas and cities throughout the nation, and 67 of these have begun since the first of February.

These programs now provide more than 600,000 persons with a food budget which is a third again as large on the average than before.

(more)

By the end of the summer we plan to have Food Stamp projects operating in over 150 communities and areas where they will reach over one million low income families. Eventually, the Food Stamp program will be extended to reach every area in the United States where it is needed and welcomed.

As a result, where the Food Stamp program goes into operation:

- *Local retail food store sales will increase 8 percent or more.

- *Markets for farmers will be strengthened more than under any existing program.

- *Families in the program will improve both the quality and quantity of the food they eat. Vegetables, fruit, meat and dairy products will be purchased over the counter and will help brighten the lives of millions of Americans young and old.

This will happen here as the Food Stamp program goes into operation.

Thus, the dream which prompted President Kennedy to begin the first pilot Food Stamp projects in 1961, and the hope which led President Johnson in 1964 to include Food Stamps among the front line troops in his war on poverty, have begun to be realized.

The dream of one President, and the hope of another, are both based on a very simple concept: It is that in a nation blessed with abundance, no person should lack the opportunity for enough food to eat.

(more)

Thus, while this ceremony marks an event of great importance to the people of the District of Columbia, it is in reality a guidepost of what we have yet to accomplish in making abundance a reality to all people.

We now distribute food directly to 5.4 million people in low income families -- and another 1.4 million in schools and institutions, but there are still communities which are unable or unwilling to afford the cost of distributing this food which is available without cost.

During the past school year, over 17 million children got a good lunch each day they were in school through foods provided both by the Department and by the local communities. The USDA contributes about 12 cents per pupil per day -- about 4.5 cents in cash and the remainder in food commodities.

However, this program, as good as it is, still is not doing the job. While the Congress has consistently increased School Lunch appropriations as the student population has increased, there are grave weaknesses in the current program.

No large metropolitan city today has a fully adequate School Lunch program. And instead of getting better, the situation is actually getting worse.

In some cities, the program has been withdrawn from schools, while in others, the program has been severely limited.

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The reason is not hard to find. No one would consciously deprive school children of food, or the opportunity to have an adequate lunch.

The reason is simply that adequate funds do not exist, either at the local level or from the Federal government, to finance an adequate school lunch program. Thus, while none of us would consciously deprive hungry children of the food they need, all of us are failing to prevent this condition by not insuring that adequate funds are available.

Consider how ludicrous this situation appears. We are a nation which has more food available than it can consume or share effectively at home or abroad. And we have the capacity to produce nearly a fourth again as much with very little effort. Further, we enjoy the benefits of the wealthiest economy in the history of mankind.

We have the food, and we have the wealth and the capacity to distribute it. Yet, during the last school year, nearly 1.4 million school children did not have school lunches because there were no facilities by which they could be fed. The majority of these children are in the large metropolitan areas.

Here in the District of Columbia, for example, while over 8,000 children in primary and elementary schools received free lunches -- most of these, however, were not even hot lunches -- another 74,000 children who could afford to pay part of the cost did not have access to school lunch facilities.

What kind of a civilization is it that has everything needed to provide its children with adequate lunches except the will to do it?

(more)

Hopefully, some help may be on the way. The Elementary and Secondary Education Act of 1965, when appropriations become available, will provide funds which can be used to equip School Lunch facilities, and this may be of some aid to school districts with schools that do not have school lunch programs.

But, much more needs to be done.

Four years ago I urged Congress to strengthen the School Lunch Act, recognizing that this problem would continue to grow. The Congress acted to provide authority for special appropriations which would enable schools with large numbers of children from low income families to provide lunches either free or at very nominal cost. Each year since then the President has requested funds to activate the special school lunch authority, but, so far, to no avail.

Our accomplishments in using abundance demonstrate that we are capable of ending hunger, and our potential for abundance shows us we have only begun to test our capacity to use it.

This ceremony then is not so much a celebration of an accomplishment as it is a beginning of a joyous and exciting challenge -- a challenge which can only come to a Nation blessed with abundance.

I hope and pray and believe that we will meet that challenge and the day will come when none of God's children go hungry.

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415, 1965
Statement of the Honorable Orville L. Freeman
Secretary of Agriculture
before the
Senate Committee on Agriculture and Forestry
July 15, 1965

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JUL 15 1965

U.S. DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
COMMITTEE

Mr. Chairman, Members of the Committee:

I appreciate this opportunity to make a brief progress report on food and agriculture as this Administration begins its fifth fiscal year, and crosses the midpoint of its fifth calendar year.

American agriculture is in better shape and better balance today than it has been for the past decade. And today, midway in this decade of the 1960's, progress in the rural economy is such that prospects are bright for the latter half of this decade. If the policies and programs which have contributed to this progress are continued, we will by the end of this decade secure parity of income for the family farmer with adequate resources, parity of opportunity for those Americans who live in the countryside, and at the same time be able to provide more nutritious food to more people at less real cost throughout the Nation.

American farmers are earning better incomes this year than at any time in the past 12 years, and American consumers are spending less of their income for food than ever before.

Realized net farm income in 1965 will likely total almost \$13.5 billion, the highest level since 1953.

Yet, if consumers were spending the same percentage of their income for food today as in 1960, they would have had \$7 billion less to spend on other goods and services. The American people will spend a smaller percent of their take-home pay this year than last, and nearly 1.5 percent less than in 1960.

The year 1965 stands to be a year of record performance for food and agriculture in nearly every respect.

Net income per farm is expected to be over a third higher than in 1960.

Farm exports are holding at record levels.

Carryover stocks of grain will be at the lowest level since the mid-1950's.

Over 40 million Americans, many of them in low income families, are receiving a better diet through Direct Distribution, Food Stamp, and School Lunch programs, and through disaster feeding programs.

Prospects for maintaining this improved level of performance will depend on the continuing stability of the Nation's economy and on the actions taken by the Congress on the President's food and agriculture proposals now pending, which would extend and improve the policies which have proven so successful during the first five years of this decade.

Here in more detail is the economic picture of agriculture at mid-year:

1. Realized net farm income in 1965 is now expected to total \$13-1/2 billion, the highest since 1953. Realized net is the income farmers have left after deducting all production expenses.

This new level is some \$1.8 billion more than farmers received in 1960.

<u>Year</u>	<u>Realized net farm income</u> Bill. dol.
1960	11.7
1961	12.6
1962	12.5
1963	12.5
1964	12.9
1965 estimated	13.5

The current estimate for 1965 is based on actual results in the first half of the year and solid prospects that the second half will continue favorable.

Prices of farm products have strengthened this spring. In June, they averaged about 10 percent higher than a year earlier. Prices of cattle and hogs have made very substantial gains as the upsurge in beef production leveled off and pork output was reduced. Prices of other products, such as broilers, feed grains, tobacco, soybeans, potatoes and vegetables were also higher than a year ago. Cash receipts from the sale of farm products in the first half of the year were some 700 million dollars more than in the same period in 1964.

With the new crop season at hand, some price declines partly seasonal in nature are likely. The July crop report indicated the likelihood of a record crop of soybeans. Wheat and feed grain production are estimated to be larger than in 1964 as are potatoes and most summer vegetables. Hog prices are near their summer peak.

Although the level of farm prices may well shade down during the last half of the year, it is likely to stay above the 1964 level. With larger crop output in prospect as well, gross farm income should continue to run well ahead of 1964.

For the full year 1965, gross farm income will likely show an increase of about 1-1/4 billion dollars, and even though farm expenses are rising, realized net income should show an increase of about 600 million dollars this year over last.

The 1964 figure of \$12.9 billion has been revised upward from \$12.6 billion based on recent information that farmers sold more out of their accumulated carryover stocks during 1964 than had been previously estimated. Such sales represent income realized in 1964 for products produced in earlier years.

2. The per farm income figures illustrate the substantial progress that has been made each year. Net income per farm has increased about one-third since 1960, adding about \$1,000 to the income of the average farm.

<u>Year</u>	<u>Realized net income per farm Dol.</u>
1960	2,956
1961	3,299
1962	3,401
1963	3,499
1964	3,727
1965 estimated	4,000

3. Higher farm income creates jobs and income in the nonfarm economy. Gross farm income in 1964 was over 4 billion dollars higher than in 1960. Farmers increased their expenditures for automobiles by over \$600 million and increased other expenditures for capital goods such as machinery and equipment by another \$400 million. As another example of the contribution of farm income to national prosperity, farmers increased their expenditures for fertilizer and lime by \$400 million.

With income up further in 1965, these expenditures and the flow of income to industry and industrial workers are going up further.

4. Farm exports continue at record levels, expanding outlets for U. S. farmers and helping to close the U. S. balance of payments deficit.

Farm exports in each of the last two years have totaled over \$6 billion a year compared with \$4.5 billion in fiscal 1960.

In the 1964-65 marketing year, exports of wheat totaled about 725 million bushels compared with about 500 million in 1959-60; rice 42 million hundredweight compared with 29; feed grains 20 million tons compared with less than 13; soybeans over 200 million bushels compared with 140; and dairy products nearly 7 billion pounds (milk equivalent) in 1964 compared with 800 million in 1960.

However, cotton exports were down to 4.5 million bales from 7.2 million in 1959-60.

5. Carry-over stocks of grains have been reduced very substantially although cotton stocks have risen. The overall balance between production and use is much improved.

At the end of the 1964-65 season, stocks of wheat are down to about an 825 million bushel level compared with a peak of over 1,400 million at the end of the 1961 crop year; stocks of rice were down to 7 million hundredweight from 12 million; and feed grains about 55 million tons versus a record 85 million. Grain stocks will be reduced further in 1965-66.

But cotton stocks are up to 13.5 million bales compared with 7.6 million at the end of the 1960-61 season. The Congress is considering substantial changes in the cotton program to reverse this trend.

6. Although farm income has been strengthened very substantially toward the goal of better living for farmers in the past five years, food is still a better bargain than ever before. This

year, food costs for the average consumer will take about 18.3 percent of income after taxes. In 1960, food required 20 percent and the diet was much less abundant in beef.

If the same percentage of income was spent for food in 1965 as in 1960, consumers would have had 7 billion dollars less to spend on other things, or about as much as is spent annually for physician care, or more than is spent for radio and television sets, records and musical instruments.

7. Our abundance is being used more effectively than ever before.

Domestically, Departmental food programs are now reaching over 40 million adults and school children each year. The volume of food distributed through domestic programs has increased from 900 million pounds in 1959-60 to 2.1 billion pounds in 1964-65.

Our food supplies also are playing a growing role in lessening foreign food shortages and in helping expedite economic development abroad. Our concessional sales and donations of food to foreign countries have continued to increase. During 1964-65, concessional food sales were \$1-1/4 billion, up 37 percent from 1959-60. In addition, foreign donations were over \$250 million, up 53 percent from 1959-60. Furthermore, sales and donations of cotton and other nonfood products exceeded \$200 million this past year. In addition to the immediate benefits from this program, it is also helping create better prospects for commercial exports in the years ahead.

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U.S. Department of Agriculture
Office of the Secretary

For P.M. Release July 24

724, 1965

Every once in a while, events conspire to make a man feel that life
couldn't be better.

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For me, this is one of those great days.

CURRENT SERIAL RECORDS

I am at home in the State I love, and serve with all my heart.

I am in Ely among people for whom I feel deep affection.

I am here with two very sweet and lovely women -- Miss Lynda Bird
Johnson and my wife, Jane.

I am near the forests and lakes and streams where I can find the peace
of mind and the lift in spirit no other environment offers.

And...I am away from the hot seat they call a desk in Washington.

To all these excellent reasons for feeling good can be added the
privilege of participating in this triple-decker event.

It is a triple feature because in addition to dedicating this
Voyageur Visitor Center, we are:

Welcoming Miss Johnson to one of Minnesota's--and the Nation's--most
unique and important areas. It is a welcome marked by the traditional Arrowhead
hospitality, with special Ely fringe benefits, perfectly fitted for such a
gracious guest.

Too, in the process of dedication and welcome, we are bringing again to
the attention of the Nation the great treasure all Americans have in the Boundary
Waters Canoe Area.

Remarks prepared for delivery by Secretary of Agriculture Orville L. Freeman during
ceremonies dedicating the Voyageur Visitor Center established by the Forest Service
at Ely, Minn., to serve the Boundary Waters Canoe Area, Saturday, July 24, 11 a.m.,
(CDT).

I would have you know, Lynda, that all Minnesota is pleased and grateful that you not only paid us a most welcome visit, but took time to "pack in" and really catch the flavor of this exceptional wilderness area.

There are many, many beautiful and important places in the United States. You could not, of course, visit all of them in a single summer and we are indeed complimented by the inclusion of this one on your itinerary.

Your six-week tour ranks as a fine public service.

Many Americans will come to a greater appreciation and enjoyment of the wonders of their own country as they follow your example in the years ahead and See America First. You have eloquently demonstrated how much there is to see and enjoy in the 50 States that make up this blessed land of ours.

As might be expected, there has been much interest around the country and some newspaper speculation on how Lynda made out as a camper and canoeist in the wilderness. She will, of course, speak for herself--but I can tell you she is a first rate camper and Mrs. Freeman and I found her a delightful wilderness companion. She pitches in to do more than a share of the camp chores, and her alert curiosity and sense of humor make her a lively participant in everything that goes on.

Lynda, we Minnesotans have enjoyed every minute of your time with us. Please come back again--and soon.

Lynda's experience in paddling through the solitude of the great wilderness that is the Boundary Waters Canoe Area is an activity more and more Americans want, and need.

There is nothing quite like this expanse of water and trees and sky anywhere else in the world. That is why we must protect it, care for it, give it the respect of wise, considerate use. (more)

If there were a dozen such places, we could be tempted to lessen our concern for this one. But there is only one. So we treasure it. I first came here as a boy--thirty years ago. That year the total number of visitors to the entire Superior National Forest area was fewer than a hundred thousand. Fifteen years ago, there were 225,000. Now Superior National Forest welcomes more than a million guests each year.

Ten years ago the Boundary Waters Canoe Area was attracting 50,000 visitors. This year's total is expected to touch the quarter-million mark.

No one can be sure how many will benefit in 1970, or by 1980, from the special cleansing of the spirit of frustration and cares that comes from being in a wilderness....that comes from being in a place where the breaks in the silence are the splash of a canoe paddle or the leap of a fish, and the songs of birds.... where the water is clean and clear and cool, and the pines reach high into the heavens.

Such a place is good, and such a place is this. Many millions of men and women and children of our own and other lands will seek it out through the days of our years, and in the days of new generations.

We who are here today seek to be good custodians of this national treasure. We seek to fulfill this responsibility sensitively, and sensibly. In so doing, we shall contribute to the physical, moral and emotional wellbeing of all our people--for in the exciting but trying days ahead there will be growing need for opportunity to know, for even just a little while, the wonders of God's creation as expressed in the special and unique way of a wilderness.

When this was the land of the Voyageurs, of the Chippewa and the Sioux, and of Paul Bunyan, no premium was placed upon natural beauty--it reigned everywhere, from the Atlantic to the Pacific. But much of it has been carelessly and

(more)

USDA 2306-65

thoughtlessly squandered, perhaps because it seemed such an inexhaustible resource. So now we count the marvels of nature as an old, old man counts his days.

There is a Boundary Waters Canoe Area...there are a few wilderness areas...a few sections of seacoast unspoiled by man...and a Glacier, a Yellowstone, a few other National Parks--but there is in all this vast U.S. no river today running unpolluted and no city breathing pure air.

So now we are turning our energy, our intellect, and--increasingly--our money toward protection of the natural beauty that remains, and recovering that which is repairable.

The fact that Americans truly care is evident in the tremendous response to the call for action in nurturing and conserving natural beauty so effectively sounded by the President and Mrs. Johnson.

The Boundary Waters Canoe Area is a brilliant example of man's ability to shift from exploitation and pollution of his environment to the rebuilding and conservation of it as a place both pretty and pure.

This area has known rough usage. Once it was almost destroyed. But it has come back.

It was only 40 years ago that the Boundary Waters Canoe Area was conceived, and only since I have held the office of Secretary of Agriculture that the Congress placed the protective arm of national policy around the National Wilderness Preservation system.

We plan to do much, much more than has yet been accomplished in development and care of this area.

(more)

USDA 2306-65

Last May I asked a Committee of distinguished and able Minnesotans to make a detailed study of the management of this area and recommend changes they felt would better serve the interests of the program and the people. With Dr. George Selke as the chairman, this Committee included John Vukelich, Wayne Olsen, Ray Haik, Rollie Johnson, and David J. Winton.

The Selke Committee came up with solid, progressive proposals for management and research and development that will demand continuing use of heart, minds and muscles in this section of Minnesota.

Congressman Blatnik and Senators Mondale and McCarthy have been active in making sure that vision has the backing of money. The budget for the current fiscal year contains an increase of about \$300,000 for work to preserve and improve this area.

Thus, the Boundary Waters Canoe Area stands as a symbol of hope, and as a guide, for all men and women who would restore and preserve the beauty of this State, and this Nation.

Responding to the current and future demands for outdoor recreation opportunities is a tremendous assignment.

When I was its Governor, the State of Minnesota launched a vigorous expansion of its park and outdoor recreation facilities. Much was done then, and Governor Rolvaag has been most active in efforts to achieve further expansion and improvements.

Yet the pressures for more outdoor places to enjoy more kinds of recreation continue to mount at community, state and national levels.

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USDA 2306-65

Perhaps the Red Queen in Alice in Wonderland described the situation best when she said: "We must run faster and faster just to stay in place."

The words Conservation and Preservation have a passive sound. But the policies and programs associated with them bubble with challenge and are filled with demands for action.

There's no point, no purpose, in having a wilderness area just to put into storage for use at some vague time in the future.

The idea behind the Boundary Waters Canoe Area is to make natural beauty available to people, now--the sight of beauty, the sounds of it, the feel of it and the smell of it. The purpose is use--wise use, meaningful use, use that will bring pleasure and improve the physical, mental, cultural and spiritual health of men and women and children.

This treasure is a blessing--to the people of Minnesota and to families everywhere in the land.

We can pay for the blessing by managing with wisdom, preserving with purpose, developing in ways that respect the laws of both man and nature.

And we can perpetuate the blessing that way, too.

DEDICATION

On behalf of the people of the United States, we of the U.S. Department of Agriculture and the Forest Service, now dedicate the Voyageur Visitor Center.

(more)

USDA 2306-65

Here we will continue to work with and for the users of the Superior National Forest. We will strive to achieve the fullest use and conservation of forest lands so that forest resources can make even greater contributions to the economic prosperity of this great State, and to the health and enjoyment of its people.

So also will we work with the users of all National Forests.

To this purpose we rededicate ourselves, as we dedicate this Voyageur Visitor Center to the use and enjoyment of all Americans, now and in the future.

For P. M. Release July 24

USDA 2306-65

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U. S. Department of Agriculture
Office of the Secretary

8/2, 1965
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I know your mission here.

You are in Washington to stress to your representatives in the Congress the importance of adopting legislation that will expand opportunities for our farm families to achieve parity of income with other sectors of our affluent society.

You are here to emphasize to the Congress that the Omnibus Farm Bill now before it offers a program of action beneficial to the producers of food, and to the consumers of food.

You are exercising the basic right of citizenship -- the right to inform and to petition your elected representatives.

I commend you for this action, for your efforts, and I wish you well. What you seek is in the best interests of all of our people -- the families on the land and those in cities and towns.

For more than four years I have been in the thick of battles for constructive, progressive national farm and food legislation. Until now I thought I had known every experience, every situation that could be associated with such efforts.

But this year something new has been added.

Remarks of Secretary of Agriculture Orville L. Freeman before National Farmers Organization representatives from 12 States, USDA Auditorium, Washington, D C., Monday, August 2, 1965, 10 a.m. (EDT).

At no other time have the big special interests been as active, as aggressive, as go-for-broke in opposition to public interest legislation as they are in fighting the Great Society Farm Bill -- particularly its Wheat Section.

The Bread Trust is conducting the most-bitter, the most-irresponsible and most heavily financed attack ever aimed at farm and food legislation.

The Bread Trust is buying words by the bale from the Madison Avenue propaganda factories. It projects them through a broad range of public and private communications media. It has hired free-wheeling professional lobbyists who have access to the plush entertainment places. They stand in marked contrast to citizens like you who leave home at great sacrifice in time and in money to tell a story of real need and express hope for a better future.

The Bread Trust is against us.

It is telling a story of fear, of distrust, of selfishness -- not in its own name, but in the name of food consumers. Perhaps history is about to record another discovery date and our school youngsters soon will be learning that Columbus discovered America in 1492 and the Bread Trust discovered consumers in July and August of 1965.

The Bread Trust is against us. Whether it is sincere in wanting to defeat the Great Society Farm Bill, or whether it is simply laying a propaganda barrage preparatory to profiteering, I don't know. But it has mobilized all the techniques of Madison Avenue to paint a tearful picture of concern for the poor, and for consumers.

Our citizens have the right to direct one sharp, penetrating question to the Bread Trust and this is it:

(more)

Where were the Bread Trust's tears for the poor, for the consumer, through the years when the retail price of bread was going up by eight cents and the inadequate price paid farmers for their wheat remained stationary?

That's a good question. It deserves an answer.

The Bread Trust is against us.

One of the Nation's biggest banks is against us -- a bank that must not make any loans to farmers because one of its recent newsletters described the wheat farmer as "well-to-do."

You and I believe in the free-enterprise system, in the profit system. The Great Society Farm Bill simply seek to enlarge the opportunity of farm families and all other families in rural America to achieve a full partnership in both systems and share first-class citizenship.

No reasonable man objects to the pride any business takes in increasing its sales, its profits, its dividends to stockholders. The president of one of the biggest baking companies this month sent a financial report covering the first half of 1965 to shareholders.

In this report he said:

"The National Biscuit Company achieved increases in both sales and earnings for the first six months of 1965. Net sales for the first half were a record \$307.6 million. This represented an increase of \$12.3 million or approximately 4 percent over sales of \$295.3 million in the first six months of 1964."

(more)

This financial statement shows that in addition to a jump in net sales, the company's net income is up; and the net income per share of common stock is up; and the dividends paid per share of common stock are up.

In fact, if I read this report correctly, the dividends paid per share of common stock are up nearly 6 percent in the first six months of this year.

Now -- with this glowing financial report the company president included a letter to the shareholders vigorously attacking the Wheat Section of the Great Society Farm Bill and asking them to write Congressmen and urge its defeat. He indicated the Wheat Certificate plan will do terrible things to consumers, bakers, processors and millers.

But he doesn't say the big boosts in sales, profits, and dividends were achieved in a period when a Wheat Certificate Plan was in operation -- he doesn't say the company has been doing better with it than it did without it.

That's why I said earlier I am puzzled by the major opposition to the Great Society Farm Bill. Is it really an effort to defeat the Wheat proposal? Or is it plowing ground for profiteering in terms of a retail price increase for bakery goods not justified by the needed lift in market place returns the Bill provides for wheat producers?

The array of forces against us in the battle for equality in earning opportunity is big, powerful, and rich.

Who is for us?

What's the situation on the positive side, the people's side?

(more)

It is encouraging, and promising.

Today we have the greatest unity among farmers and farm organizations and among the business and professional people of rural communities this Nation has known since the 30's.

Washington has had more delegations from rural areas telling the truth about food and farming than ever before. Your group is not the first -- nor will it be the last.

The great numbers of consumers who want fair play as well as fair prices are for us. They are producers, too -- and they want farm families able to buy more of their goods and services.

The broad base of support for the Great Society Farm Bill is reflected in the growing interest of conservation groups -- rural and urban -- in the Cropland Adjustment phase of it.

The voice of the people is being heard and in our system of government it has great power and promise.

You and I want the processors and handlers and distributors of food -- and the banks which finance them -- to survive and grow under the profit system.

We want consumers -- all consumers, rich and poor -- to have a continued abundance of food at continued fair prices.

We want farmers to have maximum opportunity to produce, to sell at prices that give them a fair share of the national income, and to export without the handicaps of subsidies.

(more)

The Great Society Farm Bill is a producer-consumer bill.

It serves the minority, and the majority, equally well.

It is basic to continuation of the era of abundance that has given American food buyers the greatest supply of equality foods at the least cost in terms of take-home pay any nation has ever known.

It is basic to the continuation of the significant progress in strengthening the rural economy, and the adequate family farm, recorded over the last four and a half-years.

Let me touch the highlights of the progress since 1960:

Farm family earnings are better than they were. Realized net farm income this year is expected to total at least \$13.5 billion -- a gain of almost \$1.8 billion over the 1960 figure.

Farm exports are better than they were. From the 1960 level of \$4.5 billion they've gone to a value of more than \$6 billion two years in a row.

Surpluses are down. Carryover stocks of grain at the end of the year will be at the lowest level since the mid-1950's, strengthening the bargaining position of farmers and cutting storage and handling costs for taxpayers.

Farm families are better customers. The average increase in realized net income per farm of a thousand dollars recorded since 1960 is reflected in rising sales of the goods and services farm families buy from cities and towns.

(more)

This is the kind of economic and social progress that will come to a halt if we fail to extend, with improvements, the programs that made it possible.

That's why your visit to Washington to exercise your right to inform and advise your public officials is such a vital contribution to the continued well-being of all Americans.

I commend you, and wish you well.

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AUG 16 1965

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2, 1965 There are some experiences which--no matter how often repeated--are
ever-new, and revive a man's zest for life and his joy in it....

10 PM

Like feeling the trusting touch of the hand
of a little child...

recognizing the voice of an old friend by the
warmth of it...

seeing the haze of loveliness that wraps itself
around a mother, a wife, a daughter...and,

seeking to match the intense concentration of
an inquisitive boy.

Another of these always-refreshing experiences is looking out over the
versatile and vibrant farmlands of the Midwest in the midst of a growing
season. There is always inspiration, accompanied by a deep sense of gratitude,
in seeing first hand the combination of farmer skills with nature's gifts that
results in the miracle we know as food abundance.

So I find it good--good indeed--to be with you in this place, at this
time. Thank you for inviting me.

Four years have gone by since we were last together at an annual
meeting of the Missouri Farmers Association. Since 1961 I have come to know
the membership of this organization better than I did then--many of the more
than 150,000 of you personally--all of you through the quality of your organi-
zation and the character of the leadership you choose for it.

These associations and observations have led me to two conclusions
about the Missouri Farmers Association.

Address by Secretary of Agriculture Orville L. Freeman before the annual
convention of the Missouri Farmers Association, Stephens College Auditorium,
Columbia, Missouri, Monday, August 2, 1965, 1:30 p.m. (CST).

One is that you do not accept progress as inevitable. You look upon progress as a process demanding imagination and creativity...sensitivity and sensibility...anticipation and dedication...and plain hard work.

The other is that you consistently operate from the premise that what's good for the farm families of Missouri and the Nation is good for the Missouri Farmers Association. I've seen you apply this principle internally, as you weighed possible immediate advantages for your cooperative enterprises against the potential for long-term gains in the whole of agriculture; and I've seen you apply it in helping create and implement national farm and food policies and programs.

For establishing and following these commendable standards, you have my admiration and respect.

This organization's spirit and its concept of proper priority--as well as the personal philosophy and abilities you have recognized for a quarter of a century--have contributed to making your Fred Heinkel an internationally-recognized agricultural leader.

Fred Heinkel holds the dual role of an architect, and a builder, in the Food and Agriculture Policies and Programs of the 60's.

Few Commodity Programs, now or in the past, have records of performance and popularity equalling that of our present Feed Grains Program. It was the first big step in bringing farm production policy into harmony with the era of abundance. The chairman of the Advisory Committee which played a major part in the creation of the Feed Grains Program, and in perfecting it through the years since 1961, was Fred Heinkel.

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Fred, I want MFA members to know that no one has done more for American agriculture through this period of almost five years than you. And if you will accept a personal tribute, I want to express my own high regard and warm affection.

Earlier I recalled it has been four years since I attended an annual MFA meeting. At that time we discussed what needed doing in the decade of the 60's to correct inequities that were denying parity of income opportunity to our farm families and threatening the destruction of the free enterprise family farm system.

Since then, working together, we have corrected, and we have innovated.

We have broadened the avenues of economic, educational and social opportunity for the people of rural America--farm and non-farm.

By combining the abilities, the knowledge, the resources and the purposes of people and government we have moved steadily upward on a number of fronts from the low levels of 1960.

As Al Smith once said: Let's look at the record.

Farm earnings today are substantially better than they were. Realized net farm income in this year of 1965 is now expected to total \$13.5 billion--the highest since 1953 and some \$1.8 billion more than our farm families earned in 1960.

Today's income is better than that of 1960 because we've succeeded in moving to more equitable farm price levels. In the early summer of 1960 the average return to farmers from soybeans was \$1.94 a bushel. This year it was \$2.72--78 cents a bushel more.

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Here are some other early summer of 1960 and 1965 comparisons:

Corn--\$1.09 a bushel then, \$1.30 now.

Hogs--\$16.20 a hundredweight then, \$22.70 now.

Cattle--\$21.70 then, \$23 a hundredweight now.

Lambs--\$20.10 then, \$25 a hundredweight now.

Wool--45 cents a pound then, 49 cents a pound now.

All Hay--\$15.90 then, \$20 a ton now.

Farm spending is better than it was. The income gains are reflected in improved rural town and city economies as sales of goods and services to farmers trend upward. Last year, when gross farm income was 4 billion dollars over the total of 1960, farmers increased their expenditures for automobiles by over \$600 million and boosted other expenditures for capital goods and machinery by another \$400 million. Better living on the farm means better living in St. Louis, Kansas City, Detroit and Rock Island.

Food is a better bargain than it was. For the millions of American consumers, food is the best buy they find in retail stores. This year, for the average family, food costs will take about 18.3 percent of income after taxes. In 1960, food required 20 percent--and the diet contained less beef. If the same percentage of income were being spent for food in 1965 as consumers were spending in 1960, they would have \$7 billion less to spend on other things.

Food distribution is better than it was. We're doing a much-improved job of making our food abundance cover the whole of our society--our families requiring public assistance, and our school children. The USDA's food programs are now reaching over 40 million American adults and youngsters each year. The volume of food distributed through these domestic programs has increased from 900 million

pounds in 1959-60 to 2.1 billion pounds in 1964-65. In addition, a growing volume of food is moving into the homes of low-income families through commercial channels under the Food Stamp Program.

Farm exports are better than they were. Sales of agricultural

commodities overseas are expected to reach a new record of \$6.1 billion in the current fiscal year. It will be the second year in a row with farm exports in excess of \$6 billion, as compared with \$4.5 billion in fiscal 1960. This means more than better markets, better incomes, for farm families--it means expanded job and income opportunities in the areas of processing and shipping--and it makes a substantial contribution to a favorable balance of payments. From a humanitarian standpoint and from a commercial standpoint the expanded utilization of American food and fiber abroad contains the greatest opportunity for maximum use of our great food production plant. In this effort there is need for the facilities and the skills of our cooperatives, and the interest demonstrated by MFA is most welcome.

The supply-demand relationship is better than it was. Surpluses are

down. Carryover stocks of grain by the end of the year will be at the lowest level since the mid-1950's, which means greater farm price stability and a cut in storage and handling costs for taxpayers.

We can take pride and satisfaction in these achievements.

What we've done in the past four years is proof it is possible to base a reasonable, progressive, serviceable food and agricultural policy on a concept of abundance rather than scarcity, benefiting producers and consumer alike.

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That doesn't mean we have achieved full parity in income opportunity for our adequate, commercial family farms or that rural America as a whole is moving ahead in job and other opportunities as rapidly as it must to reach our goal of parity of opportunity.

But we're on the right track.

Whether we stay on it depends upon the decisions the Congress makes this month on legislation that will make it possible to continue--with a variety of improvements--the policies that have provided fuel for the steady progress made since 1960.

Let me emphasize that these legislative proposals are not designed to maintain the status quo. While incorporating the dynamic parts of our past experience, the Omnibus Farm Bill is designed to encourage development of an agricultural plant and a family farm economy that will respond to the potentials of the future.

The same mechanisms that made things better than they were are not necessarily sufficient to make them better than they are.

Enactment of forward-looking legislation is mandatory to a forward-moving rural economy, a forward-moving national economy.

Failure to act will be catastrophic to both.

Studies made by the Congress, by university economists and others agree that if we fail to extend our farm commodity programs we will quickly experience a decline of as much as 50 percent from the current, still-inadequate, net farm income level.

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Anyone can understand a 50 percent pay cut, and its impact upon the individual family directly affected. But let me turn your attention, and the attention of the entire nation, to what such a blow to the farm economy would mean to the whole of the country's economic well-being.

A quick look at the farm credit situation is most revealing:

On January 1, 1965, the total farm debt amounted to \$36 billion. That's 45 percent more than it was just five years ago. It is nearly 200 percent over the farm debt total of 1950.

It is a matter of deep, personal concern to the farm families who owe it. It should also be a matter of both humanitarian and economic concern to non-farmers, because if farm families cannot pay it city families are going to be in trouble, too.

The debt situation in agriculture is neither better, nor worse, than in other sectors of the economy. Farm debt has increased at about the same rate as the debt of corporations, and at a somewhat slower rate than consumer debt and private noncorporate debt.

Indications are that the sharp rise in farm debt is not due to the use of credit as a substitute for income.

Rather, the increase has resulted largely from borrowing by farmers to increase the efficiency of their operations, and borrowing by young farmers becoming established on adequate family farms. And comparatively few of them are having debt difficulties so far--this fact is made clear by the excellent record made by farm lending institutions in collections from 1961 through 1964, and the near-record low levels of delinquencies and foreclosures.

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If we succeed in maintaining the farm income gains of the past four years--if we continue our already-significant progress toward full parity of income opportunity for the operators of the growing numbers of adequate family farms--the farm debt situation is not likely to cause serious difficulties for most farmers, for the communities which provide them with goods and services, or for the urban factory workers dependent upon rural markets for a substantial share of their employment.

However, a sharp decline in farm income resulting from failure to continue constructive farm and food policies and programs would, on the other hand, quickly upset the entire rural credit structure. It would deprive farmers of the ability to borrow or to repay the massive debt load they carry today. It would mean wholesale foreclosure and liquidation. It would mean rural chaos that would quickly infect the entire economy. Once again newspapers would repeat, in headlines, the old adage that "depressions are farm-led and farm-fed."

The times of truly great tragedy in rural America have been the times of mass foreclosures. In this community and in others across the land scars still remain as a reminder of the last time an accelerated down-grading of the value of a man, his family and his farm made it impossible for the family farmer to make the payments on his mortgage.

The stakes are big this month as the Congress prepares to act on the Great Society Farm Program. If it is enacted into law, we can look forward to steady progress--and it wouldn't be unreasonable at all to anticipate in the next four years a repeat of the thousand-dollar gain in realized net income per farm of the last four years.

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But--if we fail to build upon the experience and the programs and the progress of the 1961-65 period, the outlook will be grim indeed. If failure to adopt reasonable, purposeful legislation brings a drop in net farm income from the current level down to just \$6 billion a year, every American will suffer. In that event the efficient family farm structure that now ranks among the wonders of the modern world would be wiped out. No one can predict what might replace it, but the food abundance and fair prices consumers now accept as casually as the air they breathe would be gravely threatened.

If we fail to respond to both the responsibility and the opportunity contained in the food and agriculture bill now before our Congress, we'll appear in the coloring book of history painted thoughtless and indifferent--perhaps even ruthless.

I believe in the positive approach--and so do you, or you couldn't face up to the year-after-year, season-after-season hazards of farming.

I can sense a growing realization among all the people of our country that they have a good thing going for them in the policies and programs that give rural America stability and sound growth prospects....give urban America an abundance of good food at fair prices....and give the hungry of the world not only a source of food, but a fountain of know-how that can improve their ability to feed themselves.

If that realization comes to flower in terms of constructive legislation this month, the prospects are excellent that the twin goals of parity of income for the adequate family farm and parity of opportunity for all of rural America can be reached by the end of the 60's.

Let's keep our wagon hitched to that star.

U. S. Department of Agriculture
Office of the Secretary

5, 1965 Rural America is not just the space between cities.

There are people there.

It is the home of the most efficient and bountiful food and fiber production plants any nation has known in all the history of mankind. The skills of families operating these farms have created an era of abundance in which our consumers buy more of a wider variety of quality foods with a smaller share of their incomes than any other consumers in the world.

Yet these families have not achieved parity of income opportunity with those in other sectors of our society making comparable investments of capital, abilities, and labor.

Rural America also has a non-farm face. It is dotted with towns, and with countryside homes of families who must look to sources other than farming for their livelihoods.

These rural non-farm or part-farm families have not achieved parity of opportunity with urban America in employment and in access to education and training and health services. These communities have not achieved parity of opportunity in economic development.

There is an opportunity gap between the rural American and the urban American. A child born in rural America may very easily have two strikes against him.

Statement by Secretary of Agriculture Orville L. Freeman preceding panel discussion on "The Great Society" at sixty-third annual convention of The International Platform Association, Sheraton-Park Hotel, Washington, D. C., Thursday, August 5, 1965, 11 a.m. (EDT).

A family in rural America is twice as likely to be living in poverty as a family in urban America, and twice as likely to be occupying substandard, slum housing.

Rural children have, on the average, less chance for a first-class education. The average educational attainment in rural areas is about two years less than in the cities.

While almost every city family is assured of an ample supply of pure water, in many rural areas no family can be sure of drinking uncontaminated water. There are at least 15,000 rural communities over 100 population with no water systems. A fourth of all farm homes, and a fifth of rural non-farm homes, have no running water.

Rural children receive a third less medical attention than urban children.

Unemployment in rural areas--including underemployment--is around 15 percent, far above the national average. And rural people have less access to credit for housing, for business expansion, or for public utilities such as sewage disposal. In many areas sewage disposal is as primitive as any place in the world.

A Great Society cannot, and will not, tolerate these inequities. It cannot, and will not, place in jeopardy the era of food abundance which has its source in adequate family farms.

In his Message on Rural America to the Congress last February, President Johnson said:

"Because we have the means to conquer hunger, we can wage an unconditional war on poverty--and win it."

The President listed five objectives for food and agriculture policies and programs:

1. An abundance of food and fiber at reasonable and stable prices for the people of the United States.
2. Effective use of our agricultural resources to promote the interests of the United States and world peace through trade and aid.
3. A workable balance between supply and demand at lower costs to the Government.
4. Opportunity for the efficient family farmer to earn parity of income from farming operations.
5. Parity of opportunity for all rural people, including new opportunity for small farmers.

We are making significant progress on all these fronts.

Food is abundant. This year our consumers are buying it with a smaller proportion of their incomes after taxes than in 1960. And we are using increasing amounts of this abundance in school lunch programs, in direct distribution to needy families, and through Food Stamp Program utilization by low-income families.

Sales of food and fiber abroad, and exports under the Food for Peace Program, are running now at a rate in excess of \$6 billion a year as compared with around \$4 billion in 1960.

Unneeded, unwanted grain surpluses have been reduced to bring substantial savings to taxpayers.

While still inadequate, net farm income has been increased and this year will exceed that of 1960 by \$1.8 billion.

Parity of income opportunity for the adequate family farm is in sight provided we stay on the path we're now following. The decision on whether or not to keep on course, with improved versions of the supply management and price support programs that have brought such worthwhile progress, will be made by the Congress this month when it votes on the Great Society Farm Bill of 1965.

There is an ironic twist to the success story of Agriculture. We can produce all the food and fiber needed for abundance at home, for reserves, and for exports on fewer crop acres than we have available--as many as 50 million fewer. Unless farmers get continued assistance in channeling these unneeded acres into conservation uses and unless we make more of them available for outdoor recreation opportunities, we'll waste both human and food resources and farm income will be depressed by unneeded, unwanted surpluses.

Independent economists and Congressional studies show that failure to keep our cropland diversion and price support programs effective can bring a drop of as much as 50 percent in the net income of farm families. The impact of this income loss would extend far beyond rural America--it would deter total economic opportunity and growth.

In his February message, President Johnson said that to achieve parity of opportunity for rural Americans we need:

1. National economic prosperity to increase their employment opportunities;
2. Full access to education, training, and health services to expand their earning power; and,
3. Economic development of smaller and medium-sized communities to insure a healthy economic base for rural America.

The President and the Congress have forged tools which rural people, like those of urban areas, may use in combination with their own resources and initiative in moving toward these objectives.

Let me give you some personal, neighborhood and community examples:

Sam Newton lives in the Tomahawk community of the pinewoods area in southeastern North Carolina. He and Mrs. Newton have five children ranging in age from 8 to 15. Last year, to support this family of seven, Mr. Newton earned \$2,000 from day labor as a timber cutter.

In July he received the 10,000th Rural War on Poverty Loan made through the Department of Agriculture. This loan helped him buy a chain saw and a used truck heavy enough to haul pulpwood logs. With this equipment he'll be able to work the year around as an independent wood cutter. He expects to increase his annual income to \$3,500 and give employment to two helpers.

Ray Link has only six acres that can be cultivated on his 78-acre farm at Rio, West Virginia. He has established an auto repair business with a \$2,500 Economic Opportunity Loan and expects to double his income this year over the \$2,600 he earned in 1964.

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With financing available through the Department of Agriculture, six low-income families in a rural community near Bridgeton, N. J., last month moved into new homes constructed on a self-help basis.

Each family borrowed \$6,500. Each now has a home valued between \$10,000 and \$11,500. They have pioneered in showing how new housing can be obtained by low-income rural families with debt-paying ability who are unable to obtain satisfactory mortgage financing.

The New Jersey families hired contractors for excavation work and to install electricity and plumbing. They did all the construction work themselves, under the guidance of an experienced building contractor.

They worked as a group each weekend on a single house, and weekday evenings in their own homes.

Weekly incomes of these families range from \$42 to \$67. Because of the skills developed by building their own homes, two of the men have found better-paying jobs.

Rural community development groups, counting a total membership in excess of 100,000 men and women, are functioning in better than 2,100 of the nation's counties. Calling when necessary upon the technical and credit services available through government, they've launched activities that through the month of June had created some 412,000 new jobs in rural communities. They've had a part in most of the 550 projects providing for new or expanded water systems. They have encouraged home construction and repair, watershed development and rural recreation enterprises as well as new industrial and agricultural enterprises.

But we still have a long way to go in rural America--we're still in the process of "catching-up" with the rest of the society in the full utilization of opportunities for making good livings and living well-rounded lives in an atmosphere of decency and dignity.

Our big task centers on a word that is the key to the operation of your organization -- Communication.

You arrange for the best knowledge, philosophy, science, entertainment, art and culture to reach men and women and children throughout the nation through utilization of The Platform.

Yet the finest concert, the most inspiring and informative address, the most spectacular entertainment features are meaningless without an audience. You have to bring people and performance together at the same place at the same time.

That's what we must achieve, with increasing success, in rural America. We must bring people together to inventory their community assets and liabilities, explore their problems and potentials, and plan how to best utilize their own and any needed national resources in combination to expand every area of human opportunity.

The best government services are meaningless unless citizens know what they are, how to obtain them, how to use them constructively in the common good.

Communication is more difficult in rural than in urban America. There's more space between people. Poverty appears in pockets, not in concentrated areas.

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Recognizing that the Department of Agriculture traditionally has had more workers in the rural field than other agencies of government, the President has asked it to carry the major share of the communication responsibility.

To do this, the Department has established a Rural Community Development Service to provide "outreach" so that every program of the Federal Government will, in fact as well as theory, be available to the rural citizen -- the rural community -- that seeks such cooperation.

This is not an effort to inform rural citizens on what they should do -- it is an effort to respond, quickly and effectively, to their questions about how government programs can implement their own decisions related to opportunity development actions.

The achievement of parity of opportunity in rural America is tremendously important to the total welfare of our nation -- and I hope you'll join me in communicating this fact to urban people.

Rural America is where the food comes from. It comes in great abundance at reasonable cost, because of a free-enterprise system of family farms. Unless we continue, through legislation now before Congress, the programs these family farmers are using to gain parity of income, both abundance and fair prices could be in jeopardy and the rural markets for city goods and services would rapidly fade.

Rural American is a place from which the poor, the uneducated, the unskilled, the hopeless migrate to the cities when they cannot find jobs in their home communities.

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If the cities are to receive rural migrants, they are best served if the newcomers are physically and mentally healthy, and filled with hope and enthusiasm.

On the other hand, a rural America with continuing opportunity growth will better balance rural-urban populations.

Rural America is not an island, not a different world. It is a vital, contributing part of the whole of our society. Given equal opportunity to share fairly in all the privileges and responsibilities of the Great Society, it will enrich the whole of it.

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In the North Country of my home State of Minnesota, folks still weave and tell tales of Paul Bunyan and his great Blue Ox.

The Blue Ox left hoofprints so large it took three men to see across them. His head was so big the distance between the eyes measured 22 ax handles and a plug of tobacco. His horns were so wide it took a crow most of the winter to fly from tip to tip -- and the winters are long in the North Country.

Whether you look at the Blue Ox literally or as a legend, he certainly represented a lot of bull.

Yet I really want to believe there was a Paul Bunyan and a Blue Ox, and I never tire of the tall tales. They dramatize the grandeur and the majesty of that section of our nation, and they dramatize the strength and initiative and vision -- as well as the imaginative humor -- of our forefathers who made possible its development.

Real or not, the Blue Ox had importance only in terms of power. If he were alive today we would have him in the Smithsonian Institution -- because as a source of power he couldn't compete with the internal combustion engine or an electric motor in either strength or efficiency.

Remarks prepared for delivery by Secretary of Agriculture Orville L. Freeman to the National Association of Animal Breeders, Statler-Hilton Hotel, Washington, D. C., 1:00 p.m., EDT, Monday, August 23, 1965

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Today we do not look to cattle to pull or turn wheels -- we look to them as a source of human health and energy in terms of meat and milk. You express this in the motto of your organization: "Better Cattle for Better Living." Your objective is increased benefits to both producers and consumers of beef and dairy products, and your efforts are winning approval from both groups.

Each year you improve the potential for quality in foods by making it possible for new crops of dairy and beef calves to come from the best available sires.

I last appeared before this convention nine years ago, in St. Paul. At that time, while reporting an excellent record of progress in the dairy field, you were just beginning to move into a program for artificial insemination of beef cows. Now the beef-to-beef services are approaching an annual half-million mark.

Your efforts not only lead to better food products for consumers, but also widen the avenues through which our beef and dairy farmers may gain increasing efficiency in their operations and greater flexibility in responding to market needs at home and abroad.

Your contributions to agricultural technology are indicative of the dynamic changes which range across the whole of the food and fiber production structure.

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The work of this organization has contributed to a rise of around 35 percent in average production of milk per cow in the last ten years. This gain in productivity is matched in other areas.

Ten years ago, America's farmers harvested an average of 42 bushels of corn to the acre -- a record at that time. This year's average yield will be almost 30 bushels higher than that.

In 1955, wheat growers harvested a record high of just under 20 bushels an acre. Indications point to an average yield of close to 28 bushels an acre this year. And hybrid wheat varieties, which would bring a yield take-off similar to that experienced in corn, are just around the corner.

Per-acre yields of cotton have gone up a fourth since 1955, and have almost doubled in the last decade and a half. Sorghum grains will yield a new high this year -- as will oats and barley. Soybean producers will harvest a near-record average of almost 25 bushels an acre.

These across-the-board rises in acre yields, in milk output per cow, are a part of the revolution of abundance which is sweeping agriculture and which must be better understood if America is to deal wisely with a phenomenon of plenty that is without precedent in the history of the world.

The extent to which Federal farm programs have enabled farmers to manage such a sudden and tremendous outpouring of abundance -- without swamping the entire economy -- is a development that has too little

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understanding and appreciation. This has been accomplished with price support and adjustment programs aimed at a few basic crops, yet the programs have contributed significantly to the stability of perhaps 80 to 90 percent of all agriculture.

This stability is evident in these figures. Net farm income in the four years after 1960 has averaged almost a billion dollars higher annually than in 1960, and we anticipate net income this year will be \$13.5 billion, or about \$1.8 billion higher than in 1960 and the highest since 1953.

Grain surpluses have been all but eliminated, with wheat stocks down from 1.4 billion bushels to about 800 million bushels and feed grain stocks reduced from about 85 million tons to around 55 million tons. Farm exports last year reached \$6.3 billion, the first time they have topped the \$6 billion mark. We expect them to exceed \$6 billion again this year.

Equally important, our emphasis on using food abundance has contributed to an expansion in the quantity and quality of food stocks distributed directly to needy families, the inauguration of a permanent Food Stamp program and the improvement and enlargement of the school lunch, school milk and other institutional feeding programs. Over 7 million Americans today are enjoying a better diet than before, and almost 18 million school children will be participating in the school feeding programs this year.

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More specifically, let me describe the effects of nearly five years of stability through one commodity program -- the voluntary feed grain program. This voluntary program, which would be continued through the remainder of this decade under legislation approved by the House of Representatives last Thursday, has done more than improve the incomes of feed grain growers. It has helped underpin the dairy, poultry and livestock industries through stable feed supplies and stable feed prices. It has without doubt made a strong contribution to the revival that has taken place in beef cattle and hog prices this year, and it helped moderate the cyclical downturn of cattle prices earlier.

In 1955, the national season average price paid for corn stood at \$1.35 a bushel. From that level, corn prices dropped more or less steadily during the last half of the decade -- falling below \$1 a bushel for the 1960 crop. Comparably low prices affected the other feed grains.

These low feed prices -- in 1959 and 1960 especially -- resulted in cattle and other livestock producers expanding their herds more rapidly than they would otherwise have done. From about 59 million head on January 1, 1958, beef cattle numbers rose by almost 7 million in two years. A substantial rise in feeding returns contributed to a boom in cattle feeding in the late 1950's. The upshot of all this was a substantial increase in both numbers marketed and the average live weight of fat cattle -- the inevitable result being a disastrous decline in cattle prices which really hit bottom in 1963 and early 1964.

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Meanwhile, even with larger cattle numbers and increased feeding, corn utilization had failed to keep up with increased production in the late 1950's. During the three marketing years ending in 1961, corn production exceeded utilization by a cumulative total of 535 million bushels -- which increased the carryover by a similar amount.

The Commodity Credit Corporation had to take delivery of more than 830 million bushels. This fact might have had a tendency to raise prices except for the fact that the CCC also sold a large amount of corn back into the market -- more than 680 million bushels. So nobody was really the winner. When you look back at the low feed price policy of the late 1950's, everybody lost -- the feed grain producer, the livestock producer and the Government. The old axiom once again proved to be true -- "cheap corn means cheap cattle and cheap hogs."

When the present feed grain policy was instituted in 1961, one of the main purposes was to end the threat to livestock growers of large quantities of cheap feed. The immediate result -- beginning with the 1961 crop -- was to bring feed grain production below utilization. Prices gradually rose -- corn prices climbing from a national average of less than \$1 per bushel in 1960 to an average of \$1.16 last year. Today corn is selling at \$1.29 a bushel in Chicago. Growers cooperating in the program also benefited from incentive payments based on the amount of acreage diverted out of corn production.

The carryover of feed grains has declined more than a third below the all-time high of 1961 -- reducing the Government's costs for

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storage and handling and putting the entire feed-livestock economy into better balance. Feed grain sales by the Government have helped to moderate the impact on users of the downward adjustment in feed grain acreage, and have also recovered a substantial part of the cost of the program -- as Congress intended.

All in all, the feed grain policy that has been in effect since 1961 has reduced unneeded production and supplies, thus halting a 10-year buildup in feed grain carryover and helping stabilize the livestock economy.

What then has been the effect on livestock prices?

By 1963, the beef cattle market was really feeling the effects of the sharp cattle buildup of the late 1950's, and by the first week of June 1964 steers were averaging a little more than \$20 in Chicago. Hog prices were also low -- barrows and gilts averaged just above \$15 on the eight major markets.

Then things began to improve as cattle prices strengthened under the influence of a stable feed grain situation, marketing at lighter weights, plus direct action by the Government to aid livestock producers through beef purchases.

By the first week in June of this year, beef cattle prices were running better than \$7 above a year earlier, and hog prices were up more than \$6 a hundredweight. Since then, beef cattle prices have held most of that rise, and hog prices have increased still further. Hog prices have been running about \$8 above a year ago and \$9 above the low time of last year.

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The joint action of farmers and government to improve the livestock price situation included, with the personal assistance of President Johnson, accelerated efforts to improve beef exports. For a half-century the export market for meat had been of minor importance to our livestock producers. But since early last year the livestock industry, with the cooperation of the Department of Agriculture, has generated a new and promising program to increase foreign sales -- particularly in Western Europe. This effort already shows results. Beef exports during the first half of 1965 -- although still only a fraction of our total production -- were almost 10 percent greater than in the first half of 1964. There are good indications our foreign sales of beef, and perhaps other selected livestock products, will make a further rise as European demand for quality beef rises and we continue to perfect our marketing methods.

This year's improvement in the livestock price picture for producers is the best possible evidence of their stake in a sound feed grain program. The rapidity and magnitude of the price recovery was aided substantially by the bolstering effect of this program.

During the last four years, the use of feed grains for livestock feeding has been remarkably stable. This would not have been the case under a continuation of the program of the late 1950's. From 1955 to 1960 corn stocks alone climbed over 750 million bushels as the price of corn sagged from \$1.35 to less than a dollar. In order to correct this steadily worsening situation which had reached crisis proportions by 1961 we have taken an amount of acreage out of feed grain production in the past four years that is almost equal to one whole year's plantings.

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Had these acres been in production, the effect on livestock production would have been sharply adverse. Had the extra production been fed to livestock -- it would have increased hog production and the weight of beef cattle slaughtered by many millions of pounds during the 1961, 1962, 1963 and 1964 marketing years. Probably not all of this grain would have been fed -- some of it would have gone into expensive government storage -- but the pressure on livestock prices would have been sharply down.

Thus, the strengthening of the beef cattle and hog markets during the last 14 months is due in substantial part to the stability which the feed grain program has built into the livestock sector of the farm economy. In addition, the voluntary program has increased returns to feed grain growers by nearly \$3 billion in four years.

The feed grain program, directly or indirectly, affects more farmers than any other. It affects the farmer who grows grain for cash, the farmer who feeds his production to livestock, the livestock and poultry producer and the dairyman who buys feed. Together, these farmers account for the largest single segment of the agricultural economy. Stability in livestock, dairy, and poultry begins with stability in the feed grain economy.

The Omnibus Bill passed by the House would continue all the major features of the feed grain program. The alternative to this legislation is a return to the problems of the 1950's. With no provisions

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for diverting acreage from production, and prices supported at the minimum level of about 75 to 80 cents a bushel for corn, we would see history repeat itself in the last half of the 1960's -- cheap grain, over-production of livestock, another dive in cattle and hog prices, and costly surplus stocks.

Only it would be worse.

The rapid rise in yields -- in the last 15 years, 10 years, even 5 years -- makes it ever more important that we keep the grain production engine from racing itself to destruction. After all, average acre yields of corn have risen 17 bushels in the past 5 years alone -- and the end is not in sight.

No other industry runs always at full throttle irrespective of the consequences, and the time is past when agriculture can afford to do so. No auto builder or refrigerator manufacturer continues blithely to build machines far beyond the demands of the market and the ability of consumers to make use of the product. Nor can agriculture.

Digging ourselves out of a repeat of the problem created by feed grain policies of the '50's would take a shovel larger than the one Paul Bunyan and the Blue Ox used to dig a channel for the Mississippi River. And what is true of the grains is true of the other basic commodities as well.

We simply cannot afford to again put agriculture in the position where it can neither respond to, nor manage, change.

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With agriculture so specialized and so dramatically productive -- with 93 percent of our people dependent for food and fiber on the activity of the other 7 percent -- it is folly to assume that chance alone will insure abundance at fair prices for consumers and parity of income opportunity for producers.

And we must constantly recognize, as this convention does, that the best and most meaningful abundance is that marked with quality quality that improves value for both the producer and the consumer of foods.

The challenge of living with abundance so that it is truly a blessing at home and around the world is, in the history of man, a new and unique challenge. Few challenges have carried the inspiration contained in this one.

I congratulate you upon your contribution to making abundance possible in this blessed land of ours, and I challenge you to give the same kind of dedication and leadership to the task of making sure we use it effectively to build a better world.

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USDA 2614-65

It gives me great pleasure to sign this agreement.

This is a trade-expanding transaction which helps both of our countries.

The agreement calls for the sale by American sellers of very substantial quantities of U. S. feed grains through the Commodity Credit Corporation to COES -- the Spanish Cooperative for the Commercialization of Farm Products. Trade expansion in this agreement at a level of 600,000 metric tons of U. S. feed grains sold for \$35,000,000 -- including transportation -- lends new vigor to the private sector of the economy in each country.

In another sense, this agreement is a significant accomplishment. It marks the largest use to date of new "trading machinery" -- Title IV, of Public Law 480, as amended in 1963 -- now available to American agriculture. Title IV enables us to sell our farm products on long-term dollar credit to private citizens or organizations in eligible countries that are showing marked improvement.

Spain eminently meets this requirement. Spain's economy, in marked contrast to the situation a few years ago, is displaying new vigor, new strength, and substantial growth. Spain is moving ahead economically -- and we think this agreement will add one more helpful step to that movement.

Statement by Secretary of Agriculture Orville L. Freeman at signing of Title IV, P.L. 480 private trade agreement with the Spanish Cooperative for the Commercialization of Farm Products (COES), September 14, 1965, 11:00 a.m., EDT.

This transaction -- linking the private sectors of the two countries rather than being government to government -- will be of great assistance to the Spanish livestock industry. Under the agreement with COES, we will be selling our feed grains to the co-op's 200,000 farm families who produce beef, lamb, and hogs and who have not been using any significant amount of our grain in their operations. Proceeds from the sale will be used by the co-op as a source of capital to improve their livestock and meat marketing operations which in turn will earn the revenue to repay the Commodity Credit Corporation. Through this imaginative but practical agreement, the resourceful farmers of Spain will improve their production and marketing of livestock -- and their incomes. Consumers of Spain will have more red meat, and better meat, in their food stores at more stable prices, if COES objectives are fully realized.

For U. S. producers this agreement will accelerate development of a permanently larger market for our farm products. COES, in addition to the \$35 million credit purchase, which will be repaid in dollars in 10 annual installments, also has agreed to buy commercially during the next three years a minimum of about \$18 million worth of U. S. feed grains, plus an additional \$7.4 million worth from Free World sources, including the United States. The co-op also plans to buy substantial amounts of U. S. soybean meal and other feed ingredients, live cattle, and supplies and equipment.

At a time when so many of our thoughts are concerned with the strife and discord of world affairs, the constructive private trade that we are making possible here today is in healthy and reassuring contrast.

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There is an old familiar statement about "eating one's cake and having it too." I mention this because the United States is interested in trade and it is interested in aid. This agreement is helping Spain's developing agriculture, through trade, to help itself. And that's the way Spain wants it.

By fortunate coincidence, this agreement is being signed just three weeks before the United States begins its observance of an annual occasion known as Cooperative Month. The month of October has been dedicated to national recognition of the important role of cooperatives in bringing a better life to people. Across our country we are reminding our citizens that through cooperative effort, and within our free enterprise system, millions of our people are voluntarily working together to bring to themselves and their families an abundance of goods and services which, without cooperation, they might never be able to obtain. It is fitting and proper that our largest single transaction under Title IV should be with a foreign farmer cooperative consisting of over 900 local and provincial co-ops, representing more than 200,000 member farm families.

Again, let me say that it is a great pleasure to sign this agreement. It is a gratifying and timely example of how the people of two countries, by putting their minds to it, can match their resources and their needs in a way that is mutually helpful.

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U. S. Department of Agriculture
Office of the Secretary

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Welcome to the Department for the official unveiling of the 1965 Yearbook of Agriculture -- the first entirely devoted to the consumer. We are honored indeed by having Mrs. Johnson attend.

We're very proud of this Yearbook, titled Consumers All. Its range is from housing to health care, landscaping to laundering, mortgages to mending, patios to plentiful foods, and wiring to weeds. From the standpoint of public interest, we're sure it's our best Yearbook ever.

The 1965 Yearbook reflects the hundreds of consumer services provided by the U. S. Department of Agriculture. We think the Yearbook will be a standard reference book for the homemaker and handyman for years. People who get a copy and use it will find it in time as well-thumbed as a favorite cookbook.

Much is said these days about the universal man, a man who doesn't limit his horizon to one narrow specialty but enriches himself from all the sciences and arts.

Similarly, the services of this Department are drawn from dozens of fields of knowledge and enrich the life of every American.

The 1965 Yearbook reflects that universality.

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Statement by Secretary of Agriculture Orville L. Freeman at ceremony marking publication of the 1965 Yearbook of Agriculture - the first devoted entirely to the consumer - in Room 218-A, U. S. Department of Agriculture, Washington, D. C., 11:00 a.m. EDT, September 17, 1965.

As I point out in the foreword, "For more than 100 years, the Department of Agriculture has been, in Lincoln's words, a 'people's department' - a Department for producers and users of the essentials of living, for homemakers, for consumers. A Department, in short, for all of us."

As the Yearbook shows, Department services to the public involve

- the food you eat
- the clothes you wear
- the house you live in
- the lawn you mow
- the water you drink
- and, probably, your outdoor recreation.

Of course, our prime job is seeing that Americans have abundant food of high quality, at a fair price.

How well is this job being done?

The best answer is that we have found a way to banish hunger from our land. In fact, much of the rest of the world depends on us for food. We have the highest quality food you can find anywhere. And even so, the average American family spends progressively less of its income for food. Today it spends around 18.5 percent of take-home pay for food; only about 15 years ago it spent 26 percent.

What's more, currently an hour's factory labor will buy twice as much bread as in 1929, twice as much steak and four times as many eggs.

Who is responsible for this? The American farmer, who has used knowhow from USDA and other sources to become the most efficient in the world.

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USDA 2887-65

In the Yearbook foreword I noted that one farmworker in America produces enough to feed 31 persons - but that figure is already out of date, One farmworker now produces enough to feed 33 persons. Compare this with 1862, the year the Department was founded. Then a farmworker produced enough to feed only five persons. That's progress for you.

When the first Yearbooks of Agriculture were produced, back in the 1840's even before this Department's founding, Federal work in agriculture was under the Commissioner of Patents, and consisted mainly of collecting crop and livestock statistics. Later on, production research became the main task of the new Department, and its chief concern for many years.

But, as the 1965 Yearbook indicates, USDA has become more and more of a "people's department" and today is a ranking consumer agency, providing services that affect everyone. Two dollars in every three we spend are of primary benefit to consumers. The Yearbook tells how meat is inspected to assure wholesomeness; food graded to assure quality; school lunches provided; new products, processes, and services developed to add to the convenience of living . . . and the book reflects a hundred other services besides.

You can see displayed in this room examples of some of the new products and processes described in the Yearbook. And I'll demonstrate some of them to you shortly.

But you have to look in the Consumers All Yearbook to get an idea of the vast scope of Department services.

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The Yearbook itself is an outstanding example of a Department consumer service. There's something in the 1965 edition for every consumer, every American. It's practical, down-to-earth, and just about as comprehensive a handbook for the home you can find.

Get a copy and see what I mean!

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THE COMING DECADE IN AGRICULTURE

When KWKH began broadcasting, many of the men participating in this birthday anniversary celebration had not been born. And in this entire audience, I fail to find a woman who looks as though she could possibly have been around at the time.

Forty years, of course, is not a ripe old age for either an individual or an institution. But at a young and vigorous 40, KWKH can claim the status of pioneer. It followed the invention of radio by only a few years. There are probably more receivers in cars parked around this area today than there were in homes of this section of Louisiana when the visionary dreamers who launched KWKH decided there was a future in wireless communication.

Like so many American dreams, this one came true.

Perhaps no one appreciates a vital and continuing communications institution more than a public official. He knows that exercise of the people's right to know is the heart of the successful operation in every level of government. For that reason I find it a special privilege to join with the families of the KWKH area in saying "happy birthday."

The nature of this anniversary observance is, in itself, evidence of the continuing desire of KWKH to provide the people of this area with facts and opinions that will contribute to the decision-making process in the years ahead.

Address by Secretary of Agriculture Orville L. Freeman at 40th anniversary of Radio Station KWKH, Shreveport, Louisiana, Tuesday, September 21, 1965, 12:00 (Noon), CST.

I am honored with a part in such a program. And I consider it a special privilege to participate in the company of a man whose leadership I admire and whose friendship I value -- Senator Allen Ellender.

As Chairman of the Senate Committee on Agriculture and Forestry, he has been a major architect in the construction of policies that bring farmers and government together in the operation of purposeful food and agriculture programs that serve the general welfare. He deserves substantial credit for the miraculous progress of American agriculture these past 29 years. His wisdom, diligence, integrity and hard work sets a high standard for every public servant. Personally, I owe him much.

He has never denied me the benefits of his knowledge, experience and vision. He has been kind and tolerant when we have disagreed, generous in sharing credit for achievement and progress. I welcome the opportunity to express my appreciation, my respect, and my most sincere commendations here in his home state.

Today's discussions revolve around the next ten years in agriculture.

I must admit that while I have often felt the need for one, the equipment in the office of the Secretary of Agriculture does not include a crystal ball.

It has some other equipment.

There's a good, solid stone wall that I've bumped my head against more than a few times -- the last 4-1/2 years.

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It has a seat that stays hot through the coldest days.

It has a 12-button telephone that seems to handle complaints with greater speed and clarity than it carries congratulations.

But that's not all. The office of the Secretary of Agriculture has some truly delightful accessories.

It has remarkable windows. I can look through them and see -- in mind's eye -- the farms and the families that produce the abundance of food and fiber on which rests the strength and well-being of this nation.

I see an efficient and productive system that has banished famine from this country....and from the world. Wherever disaster strikes... American food and fiber is there within hours to help feed people -- just as only last week over 200,000 people here in Louisiana were fed in the recovery operations after Hurricane Betsy. It was the largest single disaster feeding operation the USDA has undertaken in this country.

In cities and towns all across the country I see families eating better food, and at less real cost, than families anywhere else in the world. One hour of work today will buy twice as much food on the average as it would 30 years ago.

I see millions of American people whose income is not adequate to provide enough food...but who nevertheless get an adequate diet. Each year through direct food distribution and school lunch programs, over \$700 million worth of food is made available by Federal, State, and local

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government. And nearly \$60 million is being spent currently through the Food Stamp program so that low income families may have a more adequate diet.

In port cities on every coast and on the Great Lakes, I see ships loaded with Food for Peace cargoes for 100 million hungry people and for 40 million school children around the world....and with food and fiber sold for dollars abroad which amounts to more than \$4.5 billion.

Through the countryside and in the towns of rural America I see growing efforts to conserve natural resources and beauty...to make use of our land and water to satisfy the new and changing needs of the people.

In the clarity of these sights, the hot seat, the cold telephone and the immovable stone wall fades away. I am proud that rural America and American agriculture are doing great things.

I have no crystal ball, but looking ahead for another decade I feel confident that even greater achievements are ahead.

I speak with optimism about the next ten years in American agriculture and rural life...for good reason.

Seven months ago President Johnson recommended a bold, dynamic and comprehensive farm program to the Congress. Today, that program has passed both houses of the Congress.

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Agricultural leaders in both legislative bodies assure me that they expect to resolve in conference...without major difficulty...the differences which exist between the House and Senate versions of the bill.

When President Johnson signs this legislation -- the Food and Agriculture Act of 1965 -- a new chapter in the miraculous success story of American agriculture will begin.

Few people yet realize the enormous significance of this legislation....of what the President and the Congress have achieved in seven short months.

For more than 30 years, and particularly since the explosion in agricultural productivity after World War II, the farm policy objective of this nation has been to develop an instrument which would:

- o Enable farmers to exercise their initiative and skill to efficiently produce an abundance of food and fiber and to receive a fair, or parity, return; and
- o Enable consumer food prices to take each year a smaller proportion of consumer income; and
- o Avoid the needless accumulation of costly surpluses.

Every attempt until now to develop a program to meet these conditions has fallen short of the goal. Instead, particularly since 1952, farm income has been persistently low and farm surpluses have been persistently high.

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But as we have worked to find the answer, we have been learning. The legislation now moving toward final passage embodies this experience -- it is the product of trial and error -- and reflects the debate which has been in progress in the Congress and in the Nation over the past three decades.

Experience with the feed grain and wheat programs since 1961 has taught us that direct payments to the farmer who voluntarily reduces his production can strengthen farm income, help eliminate surpluses and maintain a working balance between production and use to enable the marketplace at home and abroad to function efficiently. The legislation now before the Congress will establish this kind of program over a four year period for most of the basic commodities -- wheat, feed grains and cotton.

We also have learned the wisdom of diverting land not needed at present to new uses or to conservation purposes for more than a year at a time. The Cropland Adjustment Program in the House and Senate proposals will provide land adjustment contracts for as long as 10 years. These contracts will be less costly, and will enable the farmer to make his plans on a long range basis. In addition, the program will make land more readily available for new uses, particularly for outdoor recreation and beautification. Even now, conservation, wildlife and recreation groups are discussing with State and Federal officials on how best to administer the program to serve multiple uses.

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The new legislation also recognizes that the marketplace is the best mechanism to determine the flow and pace of commercial agriculture. Most farm products will no longer move in domestic and world markets at artificially high prices. Instead they will be guided by the conditions of supply and demand. At the same time the farmer will be protected from depressed incomes by the payments he receives in return for his cooperation in diverting acres to uses other than the usual crop production.

The new legislation also recognizes the need for farmers to be able to plan their farming operations for more than a year or two ahead, and extends the commodity programs through 1969.

Thus, the Food and Agriculture Act of 1965, as it stands now before the conference committee of the House and the Senate, can provide the flexibility necessary to keep pace with a dynamic and changing agriculture. It can enable this Nation to produce food and fiber in the quantities we need...when we need it for domestic and international purposes...with increasing efficiency...and at a modest cost in terms of the benefits to producers, consumers and taxpayers alike.

With such a dynamic program, we can anticipate that over the next decade:

1. The American people will be better fed and better clothed at a lower real cost by 1975 than is the case today. American farm families and an efficient food industry will supply 225 million Americans -- 30 million more than today -- with more beef and

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other meat and more convenience foods of a wider variety than now. The food abundance necessary to meet whatever commitments your government makes around the world will be forthcoming. Our super productive farm economy can do all of these things and still fulfill the demand for land for new uses.

2. Nutritional standards for the American people will be vastly improved. Our young people will be bigger and stronger and healthier, and Americans will be living longer. In 10 years, every person in this country will enjoy an adequate and nutritional diet. Where low incomes today shortchange the food budgets of some families, the Food Stamp Program now undergoing rapid expansion will give these families equal access to food abundance.

3. The day of the needless and expensive surpluses in farm commodities will have ended. With the flexibility provided by the new legislation, farmers will be able to match their production with their markets. The surpluses which once existed in wheat and feed grains are already nearly gone. The heavy surpluses we now have in cotton and tobacco will steadily disappear.

4. The American farmer will become increasingly a supplier of world markets. Farm exports have topped \$6 billion for the last two years, and they will reach \$7 billion in the next few years. By 1975, exports will exceed \$8 billion as the American farmer is able to compete in world markets at world prices.

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5. Food will be of critical importance a decade hence as the struggle for freedom around the world continues. Our Food for Peace program will be even more of a keystone in American foreign policy than it is today. The need for food already is beginning to exceed the productive abilities of the developing nations in country after country. American agriculture will be instrumental in meeting this crisis by making available increasing amounts of food aid. Technical assistance to help the developing countries accelerate their own food production will be even more important than it is today.

6. The farm family with adequate resources will be earning parity of income -- a comparable return for the labor and resources used to produce abundance as could be earned in other sectors of the economy. There will be fewer larger than family sized farms, but significantly more adequate size family farms and fewer very small farms.

7. Before the next 10 years are finished, all of rural America will be well into an economic and social renaissance which will bring the people who live in the countryside the parity of opportunity they are now in large part denied.

Today, rural Americans lag two years behind urban Americans in educational achievements. Rural children receive one-third less medical attention than city youngsters. One out of four rural homes should be replaced or given major repairs. One out of five rural homes is without running water, and nearly 15,000 rural towns have no central water system. A rural family, on the average, earns \$1,000 less a year than a city family.

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President Johnson has declared war on poverty, and has called the nation to action to achieve a higher quality of life and a new dimension of living.

Together with the Congress, he has backed this challenge with a battery of new programs which provide new tools and new resources for the American people to use. They include economic development programs to assist individuals to gain new opportunity and to help local communities and regional areas expand the range of job and income opportunities. Education programs will be available to help local school districts modernize their educational plant and to help colleges and universities to meet the increased demands of the future. Vocational training programs will assist many to gain new skills to increase their earning ability. Loans and scholarships will be more widely available to young people seeking higher education. Medical needs of elderly citizens will no longer be a threat to their economic independence. Increased assistance will be available for housing and for community facilities to improve health and cultural opportunities.

Some of these programs will be available to rural areas directly through the USDA, but the needs of the rural community are so deep and pervasive that the full range of Federal programs will be required to overcome the disparity of opportunity which now exists in rural America.

The President has assigned the Department of Agriculture the task of insuring that these resources -- which so often in the past have stopped at the city line -- reach out to the people of rural America as well.

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To carry out this assignment, we have put into operation in the USDA a Rural Community Development Service to coordinate and channel to the countryside the services and programs which can help to make rural America a better place to live and work.

With active and vigorous leaders in local communities now coming aggressively to the front, these resources can be the tools they employ to bring parity of opportunity to rural America over the next decade.

These predictions of what the next decade will bring to agriculture and rural life are more than a statement of hope. They are objectives well within the practical capabilities of the American people. I am confident they will be realized by 1975.

All of the economic, scientific and technological information we feed into computers comes back in a message that tells us we have the resources and skills to attain these objectives.

But no computer can dream, and no computer can instill in man the desire to make his highest dream come true.

President Johnson put it best when he described his vision of America as a great society:

"The challenge of the next half century is whether we have the wisdom to use (our) wealth to enrich and elevate our national life, and to advance the quality of our American civilization.....

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"...the great society is not a safe harbor, a resting place, a final objective, a finished work. It is a challenge constantly renewed, beckoning us toward a destiny where the meaning of our lives matches the marvelous products of our labor."

Only men can dream, and only man can transform dreams into reality and desire into progress.

Because I sense the will and the desire and the dedication among the rural people to make dreams come true, I am confident that progress toward a society of greatness will be the hallmark of the next decade in agriculture and rural life.

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Washington, October 5, 1965

Presentation of "E" Award to Diamond Fruit Growers Cooperative:

It is always a pleasure to participate in the recognition of outstanding achievement.

I find it a particular satisfaction today because of the type of achievement--export promotion....

and because of the way it was accomplished -- through the imaginative, hard-driving push of a cooperatively-owned agricultural enterprise.

Here in the Department of Agriculture we consider the expansion of agricultural exports one of the most valuable services we can provide for our farmers and the nation.

The United States has just written into its international trade records the two most successful agricultural years in our history. In each of these years, we have shipped out a record \$6.1 billion worth of farm products. We will top that mark in the present fiscal year.

This is an achievement with many benefits, including:

Rising income opportunity for farmers;

Improvement in the nation's balance of payments;

More jobs in food and fiber processing and transportation; and,

More and better foods for better living around the world.

Remarks prepared for delivery at the presentation of an "E" Award to Diamond Fruit Growers cooperative by Agriculture Secretary Orville L. Freeman at Cooperative Month ceremonies 10 a.m. Tuesday, October 5, 1965, in the Jefferson Auditorium, USDA.

Six billion dollars was a new agricultural export plateau when we reached it two years ago. Ahead lie still higher potentials--\$7 billion, \$8 billion, even higher.

Agricultural export expansion has taken some doing, and today we honor one of the doers -- Diamond Fruit Growers of Hood River, Ore.

Diamond Fruit Growers is owned by the growers whose apples and pears it distributes to the people of the United States, Western Europe, Latin America and the Far East.

It sells 20 percent of its pears and nearly half of its apples in overseas markets.

How has this cooperative achieved such a significant stature for its members in foreign food trade?

Let me mention just a few of the things Diamond Fruit Growers have done in going after export business:

They have paved the way through sales with thorough market research.

They have selected their foreign representatives carefully, by means of personal contact. And they keep in close touch with these representatives through supervisory travel.

They have met the needs of their customers by producing the varieties, and selecting the sizes and grades of fruit, foreign buyers want.

They have sought to provide the credit terms customary in foreign markets.

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They have made liberal use of imagination and innovation in meeting packaging and transportation problems.

They have kept up a diligent fight against unfair and discriminatory duties as well as non-tariff trade barriers.

I could go on, but I believe this is enough to give you an idea of the scope of the work this energetic organization has been doing.

In the words of the official "E" Award citation, which it was my pleasure to join Secretary of Commerce Connor in signing:

"The imaginative and vigorous export expansion program of Diamond Fruit Growers....reflects credit on manager, employees and the American system of free enterprise."

So I take great satisfaction today in presenting this "E" Award to two of the representatives who have helped lead Diamond Fruit Growers to its great record. Mr. Ray Yasui is president of the organization and Mr. Gerry Crossland is general manager. Gentlemen, my congratulations.

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PARTNERSHIP IN CONSUMER SERVICE

Less than a month ago, the Department of Agriculture published the 1965 Yearbook of Agriculture. Its title is Consumers All, a designation which fits this almanac of useful information for the housewife and the homeowner.

Now some people may be puzzled as to why the Department of Agriculture should publish a book wholly devoted to providing the consumer with helpful information. After all, it is said, the USDA's responsibility is agriculture...farming.

This is true, but only partially so; and actually it is less than a half truth.

True, we have worked very hard in recent years to develop farm programs which will enable the farmer to earn a better income. We have had some success, for net farm income this year will likely be about \$13.5 billion, or the highest since 1953. Net income per farm has increased a third in the past five years.

Now I am proud of this -- and I know President Johnson shares this feeling -- because the farmer, just as every other person, deserves a fair share of the prosperity he helps to create.

But the primary reason we seek to insure the farmer has the opportunity to earn adequate returns is broader than just the farmer alone. If the consumer -- which means every American -- is to continue to enjoy an abundance of high quality food and fiber, and to spend a progressively smaller portion of his income for it, then American agriculture must maintain its capacity for abundance. And'

Address by Secretary of Agriculture Orville L. Freeman at the 50th Annual Convention of National Association of State Departments of Agriculture, Princeton Inn, Princeton, New Jersey, Wednesday, October 6, 1965, 8:30 p.m. (EDT).

if agriculture is to be strong and efficient and productive, then the farm families which comprise the core of American agriculture must be able to earn a decent income for their labor and skill. Otherwise agriculture will not continue to attract the people and capital necessary to feed us all as consumers better and cheaper than any people in the history of mankind.

Thus, when you look at all four corners of this situation, farm programs are the food and fiber policies for nearly 200 million Americans, rather than just 3.5 million farmers. They insure an abundance of food which today takes less than 18.5 percent of disposable family income -- far less than any other country in the world.

We also have worked very hard to expand the volume of agricultural exports, and for each of the past two fiscal years farm exports have been at record levels exceeding \$6 billion. Exports are vital to the farmer who looks for expanding markets to match his increasing productivity. But increased trade strengthens the whole national economy, and today increased agricultural trade figures more importantly in this country's foreign policy than ever before.

We also have been working very hard to insure that the nation's food abundance is made available to those whose income would otherwise prevent them from getting an adequate diet. We have expanded the direct food distribution program, which now reaches some 6 million people in the United States, and we have enlarged the School Lunch program which now reaches nearly 18 million school children each day. The Food Stamp program, which increases the food budget in low income families, has grown from eight pilot projects in 1961 to become a permanent instrument in the war on poverty which will reach over one million people in close to 300 projects by the end of this fiscal year.

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USDA 3089-65

These programs, which will involve expenditures of about \$800 million this year, provide important markets for the farmer. But the primary purpose they serve is to make our food abundance reach those who need it the most.

Thus, a very narrow view of the range of programs and policies related to agriculture can give a very false impression of the purpose these programs and policies serve; and those of us who work in this area bear a special responsibility to make certain the American people understand the larger goals -- which are their own vital interests.

This same problem affects many of the programs which the USDA and the State Departments of Agriculture carry on jointly. Barney Allen reviewed with you this morning, for example, a number of areas where we cooperate to improve the level of services our Departments provide.

On the surface, many of these subjects -- marketing, pest control, plant and animal disease, and so on -- would seem to be of little direct interest to anyone except agriculturalists. But the goal of these programs is to enable the farmer and the agriculture community to do a better job of sustaining the nation's food and fiber abundance -- an essential element of the high standard of living we all enjoy.

I'm not kidding myself, however, that it will be easy to make clear the direct relationship between farm programs and the consumer interest. This will require time and patience. But there is one way which will help bridge the gap in understanding, and that is to provide the best possible service to consumers in those programs where consumers can see their immediate, direct interests are involved.

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Uppermost among the consumer services which your Departments and mine provide is the inspection of meat and poultry to assure its wholesomeness. These services are vital to consumers, for they are almost totally dependent on the reliability of our assurance that their food supply is safe.

At the same time, present trends in production and marketing of meat and meat products make the burden of establishing that assurance more difficult. Let me recall some of the history, as we have reviewed and explored this situation with you, this last year.

Prior to World War II, livestock slaughtering was generally concentrated in large, self-contained packing operations located in large cities near terminal stockyards. In those days, adequate inspection was easy.

But the post-war boom brought tremendous change. Cities grew. More trucks and better roads made livestock and meat marketing faster, more flexible, and cheaper. More and better market news made it possible for buyers and sellers to know market conditions without close contact with a terminal market.

Slaughterers began locating their plants in rural areas nearer the source of production, while meat processors spread out among the centers of population. The large, old-fashioned city packing plant is giving way to smaller plants -- specializing in one kind of livestock, or one packing or processing operation.

This diversification has gained greater momentum in recent years. Today, most slaughtering plants are located near livestock feeding areas, while most processing plants are in urban centers. It puts quite a strain on providing adequate inspection. Let me cite you some statistics, on Federal inspection:

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Since 1955, 14 percent more animals have been inspected for slaughter ...an 18 percent greater volume of meat has been inspected for processed products ...and 54 percent more plants are under Federal inspection. These plants are located in 67 percent more cities and towns.

Import and export inspection has increased more than 250 percent ... 43 percent more labels have been approved for all meat products...and 600 percent more samples have been submitted for laboratory analysis.

But, in this period, man-years devoted to Federal meat inspection rose only 21 percent; this, at a time when more meat is being Federally inspected, more plants in more cities are receiving inspection service, and more technical services are required to backstop the inspector.

And, in addition, there has been a sharp increase in the number of products which are ready for home use without further preparation -- products which are more highly processed, and therefore harder to inspect.

For instance, Federal inspection of sliced meats and convenience foods has increased to four times what it was 10 years ago. Sliced meat products increased from 146 million pounds inspected in 1955 to 502 million pounds in 1965. Convenience foods jumped from 64 million pounds to 454 million pounds in the same decade.

Technology has advanced rapidly in this same period. The basic raw material for processed products is the frozen, boneless block of meat, delivered to the processing plant from packing houses, brokers, wholesalers, importers, warehouses, and other sources often located many miles away. New machinery has been developed which automatically flakes, shreds, or slices the frozen, compressed blocks at high speed, without defrosting. Labor and time are cut to a

minimum. And there is less opportunity for inspectors to check each stage of the operations.

Along with high-speed equipment have come chemical and other "fast" smoking and curing processes, artificial tenderizing, coloring agents, new type preservatives, and other additives.

These processed products go through numerous manufacturing steps -- and they must be handled carefully. Adequate inspection of a fast processing line is far more difficult than is the "sight" examination of carcasses and fresh meat. Products must be checked for cleanliness, adulteration, labeling accuracy, additive content, and fat and water content. Effective inspection calls for adequate supervision.

Despite the increasing difficulty of the work, our inspection services have given American consumers -- without any question -- the safest meat supply in the world.

But if ever there was a situation that warned against "resting on your laurels" -- this is it. The increasing pace of change challenges us every single day to keep up with adequate inspection. Then, too, the meat industry is plagued by a few unscrupulous operators who think nothing of threatening the industry's integrity by an organized traffic in fraudulent, or unwholesome meat.

"Fast buck" schemes exist in this industry, and some have been "smoked out" in the past year or two. They exist within States...and from State to State.

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I know, as a former Governor, that it is increasingly difficult for States to marshal the money and manpower, to provide continuous, thorough inspection of all plants and all products which are produced solely within the confines of the State commerce. Only 14 States now have statutes which require an inspection program comparable to that of the Federal law. These States, for the most part, have done an admirable job with the resources at their command.

But thirty-six States do not have sufficient legal authority to provide continuous supervision over this highly complex industry. And of these, nine do not have any legal authority -- and nearly 17 percent of the 18,000 non-Federally inspected packing and processing plants operate in those 9 States.

Another 16 States do not authorize mandatory inspection of animals before and after slaughter -- and they have over 30 percent of the non-Federally inspected livestock slaughtering establishments within their borders. In addition, 25 States do not authorize mandatory inspection of manufactured meat products -- and 42 percent of the non-Federally inspected meat processing establishments are located in these States.

All of this -- climbing volume, new organization, different technology, and limited resources -- prompted us in the USDA to embark on a program some months ago to strengthen our meat inspection service. The first thing we did was to form a Department task force, headed by Assistant Secretary George Mehren.

Then we transferred our meat inspection work to the newly-created Consumer and Marketing Service, under an able administrator, Si Smith. We put meat inspection under a Deputy Administrator for Consumer Protection, Dr. Bob Somers. Next, we began a thorough review of meat inspection regulations and

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administrative procedures, to tighten up those areas where it is needed, and to modernize our procedures and techniques. This review is still going on.

At the same time, we initiated a program to work more closely with those States that have meat inspection programs -- and to help those without programs to develop them. This is one of the key points in our efforts. We view it as a maxim that, without strong nationwide cooperation between the States and the Federal government, the health of the consumer cannot adequately be protected. In the last analysis the entire chain of inspections -- State and Federal -- will be only as strong as its weakest link. I know Barney Allen has talked with many of you about this subject.

I emphasize the need to improve meat inspection services for two reasons. It is a vital consumer service which both Federal and State governments perform, and we must do it with maximum possible effectiveness.

Secondly, if we are to achieve maximum effectiveness, then we must maintain close cooperation and effective liaison.

We have, I believe, vastly improved our liaison and cooperation. But the test will be whether this achievement provides the American people -- farmers and consumers -- with improved services.

I think we can pass this test. And I am backing this confidence with specific action.

Today I signed a memorandum establishing a Joint Committee on USDA Cooperative Arrangements with State Departments of Agriculture which will review and recommend policy as it relates to changing programs and emerging needs in

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those areas where our Departments must work together for the public benefit.

I have appointed Assistant Secretary George Mehren as chairman, with Lloyd Davis, administrator of the Federal Extension Service, as vice chairman, and Barney Allen as executive secretary.

There will be 10 voting members on the committee, five from the State Departments and five from the USDA.

Those from the States will be Doyle Conner of Florida, Charles Paul of California, B. Dale Ball of Michigan, Dallas Rierson of New Mexico, and Don Wickham of New York.

The USDA members will be R. J. Anderson of ARS, Charles W. Bucy of the OGC, George Grange of C&MS, Harry C. Trelogan of SRS, and John L. Wells of the office of Budget and Finance.

Through this mechanism I hope we together can serve the best interests of all 200 million people who live in these United States.

Our task is to maintain the Nation's capacity for abundance, and to insure the safety of the Nation's food supply.

If we work together, I do not see how we can fail.

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President Johnson has voiced the hope that the decade of the sixties will be remembered as the decade of opportunity.

There are many reasons why this could be.

We have struck down many of the legal barriers that kept minority groups from stating their case at the polls, and therefore, limited their participation in the fruits of this nation's forward progress.

We have opened new avenues to help individuals and communities escape poverty's paralyzing grip.

We have developed new dimensions in the conservation and use of our natural resources -- dimensions that can make our soil, water, and related resources serve all the people of the nation in exciting new ways, while enhancing their beauty and productiveness for generations to come.

We have shaped new vistas in education -- vistas for the underprivileged pre-school youngster of a Head Start that can open his eyes to the magic of learning to vistas of expanded vocational programs for teenagers and adults.

We have formulated training and re-training programs to provide those whose skills have become outmoded a second chance to become a productive member of society.

Statement by Secretary of Agriculture Orville L. Freeman before the Public Advisory Committee on Soil and Water Conservation at the Department of Agriculture, Washington, D.C., 9:30 a.m. (EDT) Thursday, October 7, 1965.

And we have new legislation that enables cities and small towns alike to create new jobs and new economic opportunities -- legislation that enables them to face up to the harsh facts of economic reality and chart a course toward opportunity rather than be futility buffeted down the path of decline.

In short, we are moving into a new world -- a world where every man and every community has a good chance to seize on these new opportunities and move forward.

What does this have to do with soil and water conservation?

What does it mean to the conservation districts, the water and power boards, the farmer, the wildlife organizations, the ASCS committeeman -- to anyone interested in conservation, whether in conservation for beauty's sake or to find new ways to capitalize on the resources that he controls?

What will their role be in this new world we are moving into?

This is what I would like your advice on. Your recommendations over the past few years have been of great benefit to me. As you know, many of your ideas have been adopted.

Over the next two and a half days, you will discuss topics vital in charting the future course of natural resource development in this country.

In the past, we have considered soil, water, and related resources basically in terms of agriculture and farming. These remain of the utmost importance.

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But today, people look to resource development to fulfill more basic needs -- to create more jobs and increase their economic opportunities, and improve their environment so beauty can be a daily experience.

We have the legislative tools that make this possible.

Let me set down for your attention the new tools waiting to be used -- the products of an imaginative, determined President and a hard-working Congress. They include:

...the Land and Water Conservation Fund, which provides money to develop statewide recreation plans to buy and develop outdoor recreation areas.

...the Public Works and Economic Development Act with its technical assistance money to local development corporations and others to explore and plan the economic development of an area.

...the Appalachian Regional Development Act, which, among other things, provides for water development and for conservation contracts for erosion control and land use changes.

...the Economic Opportunity Act with its community action programs to wage a broadscale war on poverty and its Neighborhood Youth Corps, which helps keep boys and girls in school by paying them to carry out needed beautification, conservation, and other public works during the weekends and holidays.

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...the pending Cropland Adjustment Program, which, in effect, would extend the benefits of the pilot cropland conversion program to all farmers, making them eligible for diversion payments and cost-sharing when they convert cropland to grass, trees, recreation, open space, and the like. A challenging opportunity offered by this legislation is that it would provide increased payments to landowners who open their land to the public for recreation use.

...the Food and Agriculture Act of 1962, which, as you well know, authorized pilot cropland conversion, rural renewal, resource conservation and development programs, expanded the watershed program, and created the new recreation loans.

...and finally, the Poage-Aiken bill, authorizing the Department to make sewer as well as water loans and expanding the size of the rural community that can be served.

These, then, are some of the new tools. What we must do now is decide how these tools can best be used to make our soil, water, and related resources serve the needs of all our people for natural beauty, for outdoor recreation, for industrial development, for community improvement.

The President has assigned the Department of Agriculture the task of insuring that these resources -- which so often in the past have stopped at the city line -- reach out to the people of rural America as well.

To this end, we have created within USDA the Rural Community Development Service -- an agency with no operating programs of its own,

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but whose job it is to reach out and perform a service function to other Departments of our Federal government so the services and programs needed to revitalize rural America will actually reach the countryside.

In the past, there might have been concern on the part of some that the wide variety of demands on our natural resources might not be compatible.

Fortunately, we have mounting proof through our Resource Conservation and Development projects and the P. L. 566 watershed program that one resource can be put to a great many uses.

As you know, the Department was authorized in March of this year to assist local people in 10 pilot Resource Conservation and Development projects. These projects cover 34 counties in 11 States.

Let me say that the results of the RC&D approach to date have proven highly satisfactory. They have shown that when local people and public agencies plan and work as a team, the accomplishments in resource development are far greater than those obtained when the development is undertaken by individuals or done through single purpose programs or with single purpose objectives.

If we get the requested funds, we intend to authorize 10 additional RC&D projects for planning assistance.

Substantial progress has been made in many RC&D areas.

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For example, in the Lincoln Hills area of Indiana, local people and public agencies working together as a team have completed or are working on 34 project measures. These include:

... Building the first segment of a scenic highway along the Ohio River bluffs to attract more tourist dollars to the area.

... Planting of 300,000 trees on unsightly and eroded areas by community groups.

... Building of three rural water systems, with seven more in process.

... Activation of a new industry producing soil conditioners.

In the West Central Minnesota project, they have:

... Completed a 70 mile canoe trail on the Crow Wing River that has stimulated the recreation business and led to the formation of at least four new outfitting and supply businesses in the area.

... Built a companion horse riding trail along the Crow Wing with the help of the Neighborhood Youth Corps.

... Established an alfalfa dehydration plant and a wood shaving plant that created 35 new jobs and opened a new market for some 70 area farmers.

In the Northern Rio Grande project in New Mexico, this same team effort has led to:

... Restoration of historic Fort Marcy as a tourist attraction.

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... Completion of 11 group irrigation projects to increase the income of small truck farmers.

... The issuance of 65 of the new Economic Opportunity loans by the Farmers Home Administration to construct fruit storage facilities, processing and marketing products, and to expand a local weaving industry.

... In addition, local sponsors and the Forest Service worked out a new method of timber contracting on the National Forest that led to establishment of a new sawmill providing 35 full and 150 to 200 part-time jobs.

In the Penn-Soil RC&D project in northwestern Pennsylvania:

... Eight watershed projects are completed or are underway.

... Construction has started on the first of some 11-hundred homes expected to be built around a new 300-acre lake.

... And work has begun on a number of water and recreational developments, with State funds being used to supplement local and Federal assistance.

This same teamwork between public agencies and local people has resulted in more and more multiple use watershed projects. As late as 1960, most watershed projects had single objectives -- primarily flood prevention. Today, 65 percent of the projects we approve are multipurpose, and many of the old, single-purpose plans are coming back in to be amended to add recreation, municipal water supply, and other features.

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I cite these examples to show the broad range of compatible resource uses and to make this point: with proper help and encouragement, the people of rural American can make vastly better use of their natural resources to help reach the goal of equality, of parity, of opportunity with urban Americans.

Whether they succeed or fail, whether imaginative, creative development of natural resources takes place, depends in large measure on how well we do our job. And that means, among other things, how well we inform them of the new opportunities that exist and of the steps we take to make these new tools fully available to them.

I mentioned that Neighborhood Youth Corpsmen had been used to help complete the Crow Wing bridle trail. The steering committee of the RC&D project and the State forestry and fish and game agencies sponsored the Corpsmen, who cleared the riding trails, developed campsites and built corrals.

This is an example of local people using a new program -- seemingly far removed from soil and water conservation -- to further their conservation goals.

And this is what I, in particular, would like your advice on. How can we help other conservation groups to learn about and use these new programs?

For example, what should be the role of soil and water conservation districts in the community action programs to improve the quality

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of life in rural America and eliminate poverty. How do we inform them of the potentials under this approach and help them obtain the assistance they want?

How do districts fit into the new Public Works and Economic Development Act? How can they use its provisions to plan and carry out their resource development goals?

What about the Appalachia program? The beautification movement? The grazing association loans? The new water and sewer legislation? The Cropland Adjustment Program?

How can they best use these programs to meet their own needs and the needs of their community? How do we help them do this, and how can these new programs be meshed with familiar legislation that has long proved useful, such as the Agricultural Conservation Program?

As you can see, I am full of questions today. I hope you have some of the answers.

It is, I know, a challenging assignment, but you have advised me well in the past.

I believe the nation's soil and water conservation districts have a tremendous potential for helping rural people obtain the benefits of this new legislation.

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The Districts have the manpower, the geographic coverage, and the necessary State legislation to enable them to effectively utilize these new programs. They have proved a dynamic mechanism through which Federal, State, and local governments can work with the community and with individual land-owners to solve local resource problems.

Moreover, the Districts have shown in recent years that they are ready to move into a much wider area of cooperation. Besides their variety recognized role in protecting and conserving private land, they have played a significant part in the development of resource related activities, such as the watershed program, the Great Plains Conservation Program, the Agricultural Conservation Program, and in developing outdoor recreation for pay, and in the Resource Conservation and Development projects.

In addition, some districts have entered into agreements with Federal and State agencies in the fields of forestry, wildlife, public land management, highway development, river basin planning, parks, water quality control, and the like.

I am convinced that the Districts can and are ready to assume a leading role in bringing a new era of opportunity to rural America. I urge this advisory committee to think through the ways that the Districts, and other conservation organizations, public and private as well, can contribute even more effectively to closing the opportunity gap between rural and urban America.

The opportunities to move ahead in resource conservation and development are all around us. All that is asked of us is the imagination to see these opportunities and to have the vigor and enthusiasm to act on them.

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Mr. Chairman, Delegates to the Third Session of the FAO/North American Forestry Commission, and guests. It is my privilege and pleasure to welcome you in the name of the President of the United States and the people of our Country.

We are honored by your presence. As host Nation, we will do our best to make your visit to this Country a memorable one. I am also certain that it will be a productive one, for though the North American Forestry Commission is only four years old, impressive progress has been made in mutual protection of the Continent's forests against the destructive agents which attack our forest resources today -- fire, insects and diseases. These enemies respect no international boundaries.

The progress we have made in working together to protect the timber resources our nations possess in common is a good sign. It gives positive hope that we may do equally as well in the challenging task of working together to conserve renewable resources of timber, land and water in such fashion that they are used, renewed and used again to serve the many needs of our citizens.

To a greater or lesser degree in each of our countries, we continue -- thoughtlessly or ruthlessly -- to pollute and despoil the earth on which we live. We foul our environment to such an extent that we rob our lives of the joys that could easily be ours -- the simple joys of being alive, of being human, and of sharing this universe with all other living things.

Statement prepared for delivery by Secretary of Agriculture Orville L. Freeman before the North American Forestry Commission Meeting, State Department Conference Room, Washington, D. C. at 3:30 p.m., Oct. 18, 1965.

It is not too difficult today to imagine ourselves one day on an earth not only bleak and bereft of joy but unfriendly to life itself. Destruction and pollution and uglification of our natural resources are the suicidal, manmade enemies of man.

Our countries have been working together to protect our timber resources from the destruction of natural pests, and not too far down the road I believe we will be enlarging our scope of interest to include the manmade enemies of our renewable resources.

If our nations, blessed with Democratic institutions, cannot build for the future in this way, what hope is there for the earth as a whole?

Here in my country, this concern, like a sleeping giant, is beginning to stir and awaken.

President Johnson has sensed and put into words the feelings, beliefs and determination of the American people on this subject. He has urged that we regain and retain the natural beauty of our Nation because "The beauty of our land is a natural resource. Its preservation is linked to the inner prosperity of the human spirit."

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Each of us recognizes that the love of beauty is a fundamental attribute of human nature -- one of our finest attributes. We recognize also that natural beauty is one of the most important dimensions of our practical goal of conserving and revitalizing our natural resources.

It is becoming more apparent that our concept of conservation has been growing and taking new form, escaping old cubicles and dividing lines, emerging as a new philosophy.

The conservationist of today is an exponent of natural beauty in its many forms for the enjoyment of all people -- he is an enemy of preventable ugliness.

The modern conservationist is a proponent of the principle of sustained economic use of resources -- an opponent of mere hoarding and an enemy of waste.

The conservationist of today is an advocate of open spaces and quiet places -- an enemy of slums, filth and air filled with stench, poison fumes and fallout.

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The true conservationist of today sees the union of resources and values on which humanity depends, and he would preserve that union.

Essentially, it is a philosophy of use and renewal -- of multiple use of our natural resources to insure that as the eye beholds beauty there also is food and fiber, timber and recreation, forage and wildlife.

In our National Forests, we no longer think of ourselves merely as custodians and protectors. We practice multiple use management to the end that our forests provide timber as well as recreation, beauty as well as economic growth.

In community programs such as small watershed projects on private land, we combine flood control with municipal water development, recreation and land conservation.

In our public partnership with farmers for conservation work on individual farms we encourage the use of practices which not only conserve soil and water for agricultural use but also provide better conditions for fish and wildlife and recreation for the public.

There is in all this a sense of unity and purpose. Our forests, like our croplands, can be managed and used to serve the varied and changing appetites of the people. The policies which guide one are the same policies which guide the other.

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We are learning to shape these policies to provide the maximum value and beauty from our natural resources. There is much yet to learn.

As we together have sought to share with one another the technical knowledge to guard our forest resources from destruction, we also offer to share with you -- and ask to learn from you -- the more difficult tasks of taking the resources we preserve and using them in trust and perpetuity for the good of all people.

We are delighted to have you as the guests of our Country. May you come back often.

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A few weeks ago, in signing the Poage-Aiken bill which he said promises "clear ... clean water for all of rural America,"

President Johnson commented on a situation which disturbs me deeply.

He recalled that at the start of the century more than half our people lived in rural America, but that today nearly three-quarters of our population has become urban.

What caused this mass exodus from the countryside to the city?

In a word -- opportunity -- the lack of it in rural America and its comparative abundance in our cities.

Think for a moment:

Where can you find the variety of job opportunities that offers the educated, skilled person a challenge and the chance for steady advancement and higher pay?

Where can you find modern schools, or the credit you want to start a new business or to build a home, or the restaurants, theaters, museums, and the public services that provide the quality of life we all seek?

Too often, I am afraid, the only answer is -- the city.

Remarks prepared for delivery by Secretary of Agriculture Orville L. Freeman at a Rural Areas Development Luncheon, Noon 9(CST) Friday, October 22, 1965, New Hope, Florida.

The rapid growth of opportunity in our cities is matched only by the decline in opportunity in our rural areas.

In the past 25 years alone, this disparity in opportunity has caused nearly 20 million people to move from our farms and rural communities to the city.

I am concerned that this population shift is draining rural America of its well-educated young people who could provide the vitality and leadership to move our rural communities ahead more rapidly.

To me, it is intolerable that people are forced to give up a way of life they may prefer simply to get the opportunities they desire.

But what disturbs me most of all, and what concerns the President, is that the educated and skilled persons who move of their own free will are not the only ones enticed to the city.

Each year, hundreds of thousands of unskilled and under-educated people from rural areas pour into our cities searching for opportunities that -- for them -- are just not there. In a very short time, they find themselves much worse off than they ever were before: unemployed, in unfamiliar surroundings, and trapped in a web of utter despair.

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The jobs and higher income for a decent standard of living and an equal quality of living ought to be available for those who prefer to live in the countryside and towns of rural America.

If there were true parity of opportunity, the ~~Movement~~ of people to and from country and city, or city to country, would be a healthy thing.

But without equality of opportunity, a large part of this movement will remain a forced immigration that often is harmful to the family that moves, and a grave and costly problem to the city.

We all recall the riots that erupted in the Watts area of Los Angeles a few months ago. They shocked the nation.

Many people probably thought to themselves, "It can't happen here!"

I fear they are only deluding themselves.

Each great city has a slumbering time-bomb in the ghettos at its heart and in its isolated urban slums. It is a time-bomb largely made up of people who desperately seek to escape the poverty of their rural surroundings and who are unprepared either for industrial jobs or for a life of poverty in city slums. The great cities of America barely are able now to cope with the corrosive problems of urban blight. Adding more people who are ill-equipped only aggravates existing tensions, and it is time that the American people began to take some sensible preventative actions. The movement of rural poverty to the city must be stopped.

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What then are we to do about it?

If we believe that the Countryside, U.S.A., is an important part of this nation...

If we are convinced that the values of country living -- the closeness to nature, the neighborliness, the room to move and breathe -- build sound citizens and provide a stable base for our democracy ...

If we believe that there are enduring values and great satisfactions in country living:

...what do we do so that people will not be driven out of the countryside?

There are two things.

We can take steps to achieve parity of income for the American family farm -- the nation's largest business...

...and we can help broaden the economic base of rural America, so that people can get jobs and can enjoy the quality and dimension in rural living equal to that of urban America.

Happily there is much to be optimistic about where commercial agriculture is concerned:

In the past four and a half years, we have scored numerous advances in our drive for parity of income for the full-time family farmer.

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Realized net farm income this year will be around \$13.5 billion -- the highest in more than a decade and nearly \$2 billion better than the total for 1960.

Farm exports ... which totaled \$4.5 billion in 1960 ... have exceeded \$6 billion for the past two years, and are predicted to reach \$7 billion in the near future.

Our costly, price-depressing grain surpluses have been virtually eliminated.

And now, the Food and Agriculture Act of 1965 which awaits only the President's signature to become law, places us in a position to score even greater advances.

If everyone cooperates, it will enable efficient family farmers over the four-year term to reach parity of income with other economic groups.

By making greater use of the marketplace in domestic and export sales, program costs will be reduced.

The Cropland Adjustment Program makes it possible for farmers and local communities -- both large and small -- to make long-range plans for converting unneeded cropland to conservation, wildlife, and recreational uses. Some land will be shifted permanently into parks and natural beauty areas for the benefit of all people.

Every American as a consumer of food and recreation, as a taxpayer, as well as a producer, will benefit from the Food and Agriculture Act of 1965.

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But the problems of rural America cannot be solved by improvements in agriculture alone. If rural America is to assure its citizens of parity of opportunity, the people of rural America will have to shatter a few myths and wreck a few misconceptions -- and set out to broaden the economic base of the rural community.

More of rural America is going to have to do what the people of Holmes County, Florida, are doing today.

You have shattered the myth that town people and farm people cannot work together to solve common problems.

You have shattered the myth that rural poverty is unsolvable, inevitable and can be alleviated only by charity.

You have given lie to the myth that rural people rate only substandard housing and are destined forever to go without community services like a water system or sewers and sewage treatment.

You are exploding the myth that social or economic opportunities cannot be created in rural America.

And finally, you have wrecked the misconception that there must always be a conflict of purpose between the objectives of sound government programs designed for people to use to solve their own problems.

Ladies and gentlemen, I am delighted to be here to salute the leadership which Holmes County is showing.

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You are the kind of people who are coming forward from thousands of towns and communities across this land -- determined and confident that rural America can become an area of boundless opportunity for all who wish to live there.

And you are doing it the only way it can be done -- by working together in common cause, by making use of available local, State and Federal programs, and by tackling each problem at its source and not at its edges.

For instance: you have begun to eliminate poverty in Holmes County -- just as it must be done in every rural county in America. When the Economic Opportunity Act was passed last year you didn't say: "We have no poverty here."

Instead, you recognized that the Economic Opportunity loan program for low-income rural families was an effective way of helping these people get a new start to increase their incomes.

As a community you assisted our local Farmers Home Administration people by informing and encouraging low-income families to make use of the program.

As a result, in the first six months 76 Economic Opportunity loans were made to low-income families in this county. I am told that this is the largest number of such loans made by any rural county in the country.

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This is not because Holmes County has the largest number of low-income families. Far from it. Rather, this was accomplished because you were determined from the outset you were going to eliminate poverty from your midst. As a result, you have 76 more families who now have an opportunity to join the economic and social mainstream of your communities.

But this is only one example.

Two years ago, by dint of hard work, careful surveys of your resources, and sound plans for their development, you qualified for one of the first of this nation's pilot rural renewal projects created under the Food and Agriculture Act of 1962.

Existing state law has kept you from moving as rapidly with this project as you had hoped. I am confident that legislative action to allow the project to function as a non-profit corporation will enable you to go forward with the complete development of your area. Your distinguished Congressman and my good friend, Bob Sikes, has sponsored legislation that will make this possible.

In the meantime, you are not letting this temporary impasse stop you from moving in other directions.

The same leaders, the same people have joined with the people in adjoining counties to set up a Tri-County Community Action program and you have received approval and assistance from the Economic Opportunity office.

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I am told your health program is off to an excellent start and promises to be an outstanding success, and I understand a school lunch rprogram project under the Economic Opportunity program is now awaiting approval.

You have used the rural housing program administered by the Farmers Home Administration to build many new homes in the area. With ingenuity and enterprise and with FHA loan assistance you are constructing homes that are within the reach of very low-income people -- enabling them to repay the loan for around \$25 a month.

The new housing program passed this year will make more funds available for rural housing, and it makes these loans available in towns of up to 5,500 population. It will enable you to move even more rapidly to improve housing conditions.

I am told that the community of Esto was the first town in the State of Florida to build a community water system with the assistance of a USDA loan.

The Poage-Aiken bill I referred to earlier will greatly expand funds available to communities up to 5,500 population to construct water and sewage systems and other community facilities. The new program also provides for grants in addition to loans for those communities that need them.

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What you are doing here in Holmes County is an example of what must be done in every rural community in the nation. Congress can provide the programs, we can administer them the best way we know how, and we can insure that the services and resources they provide are available, but none of this effort is meaningful unless local people are willing to act.

This, you are doing.

When all the other rural counties in America start doing the same, then we shall be well on the way to our goal of parity of opportunity for rural people.

And this must be done -- not only for the people who live there but for the well-being of the whole nation.

For rural America is one area left in this country that holds vast, untapped opportunities for people. Its economic potential is unlimited. Its potential for social good and for relieving the frightening, deadly malaise of our cities and their explosive ghettos, presents to us the greatest challenge of this century.

U. S. Department of Agriculture
Office of the Secretary

I recently saw a statistic that predicted about half the American people would be 25 or younger by 1985. I'm not sure whether this statistic is based on the current birth rate or whether the computers at the Bureau of the Census are all being operated by women.

I am certain, however, that the half who are 25 or younger will be all women and all the males will be over 25.

One of the lady computer operators, I am told, wrote on her job application that she was 25 years old and had worked 20 years on her previous job. The personnel man, obviously puzzled, asked her how this was possible.

"It's very simple," she said. "I put in a lot of overtime."

Age, however, is a relative thing...a state of mind rather than an exercise in addition.

This fact has been emphasized to me twice in the past week.

I had a visit earlier this week from Jimmy Durante, who sometimes admits to being somewhere in the neighborhood of 72. He flew down to Washington to help launch the Department's 1965 Food is a Bargain campaign in which we seek to tell the success story of American agriculture.

Remarks prepared for delivery by Secretary of Agriculture Orville L. Freeman at a dinner honoring George Selke, Conservation Consultant to the Secretary, sponsored by the Ft. Snelling Historical State Park Association, St. Paul Hotel, St. Paul, Minnesota, Saturday, October 23, 1965, 7:00 p.m., CDT.

Our food abundance means that no other people eat so well for so small a part of their income than the citizens of America.

Mr. Durante is simply amazing. His vitality and youthful zest captured and entranced the audience gathered for the ceremony. When the program ended, it took him almost 20 minutes to move 20 feet away from the stage. The women in the audience -- and all of them were 25 or younger -- surrounded him as though he were all the rock-and-roll idols rolled into one.

The second time I was reminded that arithmetic is a poor indicator of age came when I flew here to join you at this dinner. You may think that I am here to do honor to my good young friend, George Selke. Let me dissuade you from that notion.

I am here because it is cheaper to meet George halfway than to call him long-distance in Oregon to pass along all the assignments I have for him to do. You know in Washington these days we are counting every penny.

When George left the USDA three years ago, he thought he was writing the close to his fourth -- or was it his fifth -- and final career. Well, since that time he has been a very active consultant. I have had him riding jeeps over mountain trails, and horses where jeeps wouldn't go, and scrambling over rocks and ledges where horses even fear to tread. I have put him in the middle of arguments where I would just as soon not be caught. I know that if a solution is to be found, George will find it.

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I realize how fortunate I am to be able to work with George, for he combines a wealth of experience with a young heart and an inquisitive mind. It is a rare quality. Now I cannot speak for him, but it appears to me that age is related to the kind of diet a person provides for himself. And I am not referring to calories or to carbohydrates, but to another kind of diet.

There is a saying that man does not live by bread alone, and in all his many careers -- as a teacher, a coach, a College president, a civil affairs administrator with the military occupation of Germany, a Commissioner of Conservation and as a key advisor on conservation -- George has consumed a healthy diet of controversy, accomplishment and enjoyment in his work. And he still shows a prodigious appetite.

Throughout his life he has been one of a small vanguard of conservationists who have sought to conserve the resources of land and water and trees so that they will continue to serve the people and to be used and renewed by them -- and in ways which will maintain a bridge between the history of what we are and a future of what we hope to be.

For as long as most of us here today can remember, conservation has been identified in the public mind as a concept of protecting man and his family from his misuse of the renewable resources of land, water and forests. The word conservation has been used interchangeably with the word preservation by most people.

This attitude is changing, as it must change, because conservation and preservation are really different things.

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Early in this century a movement began to protect the Nation's forests from being totally denuded. As a result the Forest Service was created as the nation's first public conservation agency. Its assignment as part of the relatively young Department of Agriculture was to protect our timber resources from misuse and destruction.

Three decades ago when duststorms in the mid-West deposited the topsoil of the Plains on lines of washing hung by New York housewives, and the destructive floods of the Ohio and the Mississippi and the Missouri scoured the rich soil of America's heartland to clog the Mississippi delta, modern conservation began. It became a national crusade because nearly every citizen was touched by the appalling waste of resources, either directly or by the disagreeable side effects. It gave birth to the soil conservation movement and to the Soil Conservation Service in the USDA.

In both cases the crusade was to protect the American people by preserving the nation's resources.

This preservation, or protection concept, was and is important. But it is less than half of the real conservation story. Our real objective is to conserve our resources so we can use them wisely and frugally over and over again to create a better life for our people. This, then, is the creative, meaningful purpose of conservation: we use rather than lock up in idleness our great natural resources.

Actually from the beginning, the wise use of resources has been the heart of conservation policy.

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In establishing the National Forests, the basic assignment was to develop a management program to ensure the forest lands would continue to produce useful goods and services in such a manner that they would be constantly replenished and enlarged. There was no effort to preserve forest lands as something isolated from the needs of a growing nation.

In establishing the concept of soil conservation, the thrust was to develop the techniques and procedures which could be applied on public and private lands to ensure that land and water could work in harmony to produce useful goods and services. There was no effort to isolate people from these resources.

Had the thought been to develop conservation exclusively as an instrument of protection, then I think these programs would have been assigned to an agency which would lock these resources away. But they were assigned to the USDA as an agency where use and service are bywords.

Initially, forests were managed to produce timber, and soil and water conservation was practiced primarily for agricultural needs.

Today, forests are managed for multiple uses, ranging from timber to recreation, water, wildlife and grazing. Soil and water conservation has been unfolding as an invaluable tool to promote better ranching and farming, recreational development, wildlife protection and to overcome water pollution and ensure adequate water for community and industrial uses.

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Every person endorses these uses as practical goals for conservation. Yet, conservation still appears to be plagued by arguments between those who say they want to preserve and those who say they want to use resources.

I have always been puzzled by this apparent conflict, because I fail to see any conflict -- at least in these terms. The conflicts I see are over which uses will predominate.

Thus, in some areas of the western United States, I find people criticizing multiple use conservation because it does not conserve resources for recreational uses alone, while in other areas people criticize conservation policy because it does conserve resources for recreational uses alone. But in both cases, each side claims the title of multiple-use conservationist.

Yet, while these battles rage, the American people are pushing ahead on the conservation frontier toward some exciting new concepts.

President and Mrs. Johnson have captured the nation's feelings with their emphasis on natural beauty. The President has urged that we regain and retain the natural beauty of our Nation because "the beauty of our land is a natural resource." He places conservation in a new dimension, highlighting for us what we have always known -- that conservation must raise the quality of our lives even as it increases the material benefits we enjoy as we use our resources.

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The common purpose which brings us together here tonight illustrates this unifying concept of conservation, for Fort Snelling State Park is a classic example of how two seemingly irreconcilable uses for land resources could be merged to both raise the quality of life and meet the needs of the community.

The story is very familiar to me, for it fell to me as a new Governor nearly a decade ago to resolve a conflict between the need to preserve a significant and beautiful link with history while also unsnarling a traffic bottleneck that made urban life increasingly unpleasant.

The controversy began simply enough. The residents of the Twin Cities -- and particularly the rapidly growing suburbs -- found the highway system which bridged the Mississippi and the Minnesota rivers at their confluence below the site of old Fort Snelling was dangerously out of date. The State highway department, supported by the Federal Bureau of Roads, proposed to eliminate the bottleneck by building a modern super-highway there. Modern highways, however, consume enormous amounts of land, and the proposal would take most of the Fort Snelling site.

It would have been a tragically high price to pay in the name of progress. There is no area which has greater historical significance in the development of Minnesota and the whole Northwest region than Fort Snelling. The site was purchased 150 years ago for \$2,000 from the Sioux Indians, and the land included most of what is now the Twin Cities.

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When the fort was completed about 1824, it became the focal point for the settlement of the Northwest frontier and the link to the westward movement of the civilized East.

The roots of what we see in Minnesota today go directly back to the beginnings of Fort Snelling. It was the hub of business, industry, commerce and culture -- as are the Twin Cities today. The first school was begun before the Fort was completed, and education has remained a priority item in Minnesota. The soldiers who manned the Fort spent more time in cultivating fields and practicing trades than in military occupations, and Minnesota today reflects this same attitude of peaceful preparedness.

These were some of the thoughts which crossed my mind, and which were expressed to me by many people both within and without Minnesota.

In June 1956, when the highway department and those determined to preserve the historic resources of the site failed to reconcile their differences, I called the principals together. The pressure was becoming intense, particularly in view of the impending enlargement of Wold-Chamberlain field which would be nearly inaccessible without a better highway system. Construction was to begin on a modern four-lane beltline along old Highway 100, and it would be senseless to have this high speed roadway feed into the two-lane bottleneck at Fort Snelling.

As Russell Fridley, Director of the Minnesota Historical Society, wrote at the time: "It looks as though this matter will go to the Governor who will have the unenviable task of resolving the problem."

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George Selke was the leader of those advocating the establishment of a State park on the site of the Fort. He attended the conference in my office, together with Russ Fridley and U. W. Hella, director of State parks. The highway department was represented by Commissioner L. P. Zimmerman and several of his staff. The meeting was heated, reflecting the debates and discussions which had preceded it. As the debate ranged forward, the eloquence and persuasiveness of George Selke began to tell. The discussion shifted from a defense of viewpoints to a probing for solutions. It was then that the suggestion was made to tunnel the highway under the Fort, thus preserving the site. At first the highway department representatives rejected the idea because it would add to the cost of construction.

The tunnel proposal, which would involve some redesigning of the highway approach and entry from the St. Paul side of the Mississippi, appeared to satisfy all the requirements of preserving our link with the past while ensuring that the future needs of the people of Minnesota would be met. It would also require that the roadway be shifted to avoid taking the parade grounds area on the Fort site. I asked the highway department to prepare an estimate of the additional costs.

Those estimates indicated the tunnel proposal would add about \$500,000 to the cost of the new highway and interchange. This seemed to me to be a small price to pay to ensure that Minnesota would always have this historic bridge to the heritage of its past. I ordered the changes to be incorporated in the plans for the new highway.

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With this accomplished, Dr. Selke, working with Russ Fridley and others, began plans to establish a State park on the site. They applied to the Federal government for title to the land. In 1959, construction on the 450-foot tunnel began, and in 1960 Fort Snelling was declared a National Historical landmark by the National Park Service.

In 1961, the legislature created Fort Snelling State Park on 320 acres of land transferred to the State by the Federal government. Since that time, the Minnesota legislature has appropriated more than a million and a half dollars toward the restoration of Fort Snelling.

Your association, which began when the State park was established, in addition to raising an additional \$200,000 in private funds to acquire lands and support other related projects, has given inspired leadership in building widespread appreciation and support for the Fort Snelling State Park.

If you will pardon a personal reference, I want you to know how proud this Minnesotan is of the progress which followed the creative conflict of 1956. Each time I fly into the Twin Cities and then drive into town along the river, I am renewed by the beauty and significance of the whole setting. I am grateful to have played a small part in it, but mostly I'm grateful for the determination and spirited advocacy of one George Selke. If it hadn't been for him, it wouldn't have been accomplished. That I know!

Look then at what has been achieved through conservation for use:

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* A State park of immeasurable historical significance and value has been established. Fort Snelling will eventually be restored to its original condition;

* A dangerous highway bottleneck has been replaced by a modern highway that moves traffic safely and efficiently;

* The essential needs of an urban society have been met and blended into a historical setting in an eloquent statement of natural beauty;

* A jet-age airport to serve the needs of a rapidly growing metropolitan area is made easily accessible;

* Big league baseball and football in the Metropolitan stadium can be reached easily by millions of fans in Minnesota and Wisconsin.

What has been accomplished here at Fort Snelling is both an example and an inspiration for the future. One of my jobs as Secretary of Agriculture currently is to serve as chairman of the President's Recreation Advisory Council which has the task of over-all guidance and coordination of the nation's outdoor recreational developments both public and private, Federal and local.

The demands on recreation facilities by an American public with more leisure, income and mobility than ever before are increasing at a fantastic rate. In recent years, more voices have been raised over the concern that a growing population with an expanding appetite for outdoor recreation will inundate the Nation's recreation facilities.

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It need not happen, for we have hardly begun to tap the multiple values which can flow from truly creative conservation. That is why I am impressed and delighted with what has been accomplished here through the Fort Snelling project.

The Fort Snelling project is all the more impressive because it was initiated and has been carried out as a State project. The Federal government provided some of the resources. In the future, if we are to provide for recreation needs, the major effort will have to be made at the State and local level.

The Federal government, through National Parks, National Forests, National Recreation areas, the reservoirs of the Army Engineers, is enlarging its public recreational facilities -- but the demand will far exceed this effort.

This fact underlies the recent direction of Federal policy to enlarge recreation uses of land, water and forest resources throughout the country. For example, recreation legislation enacted in recent years is designed primarily to encourage and assist State and local governments and individuals on private lands to develop outdoor recreation opportunities.

The Bureau of Outdoor Recreation in the Department of the Interior, for example, does not oversee Federal recreation projects; its primary function is to stimulate and coordinate State and local recreational developments. The Land and Water Conservation Fund which it administers, provides planning assistance and matching funds for these outdoor recreation projects.

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The Department of Agriculture, through a number of programs, can provide both financial and technical assistance to State and local governments and to private individuals for the development of outdoor recreation facilities.

The recently enacted Food and Agriculture Act of 1965 is of major significance both to commercial agriculture and to conservation. It will enable States and local communities to acquire and convert cropland to recreational uses, and it will encourage farmers to do even more in providing wildlife conservation and access to urban sportsmen for outdoor recreation on private lands.

These and many other recreational development programs emphasize the recreational use of resources, but they are primarily instruments of conservation.

It is essential that we recognize them as conservation programs, just as the effort to protect the historic values of Fort Snelling is an example of creative conservation.

Conservation is the use of resources in ways that constantly renew their value so that they continue to serve the material needs of all people while they raise the quality of all our lives.

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USDA 3284-65

U. S. Department of Agriculture
Office of the Secretary

Meeting with the National Grange in November is getting to be almost as much a tradition with me as keeping Thanksgiving.

Five straight times I have attended your National convention as Secretary of Agriculture. Each time I come I am both more impressed than ever with your dedication and deeply grateful for the warmth of your welcome.

We meet this year at a time of progress and forward momentum for agriculture. Last year, I told you the next session of Congress would be critical. Indeed it was. And I join you in expressing satisfaction for what has been accomplished.

Last week, President Johnson signed the Food and Agriculture Act of 1965 -- setting the course of major farm programs for the next four years and opening a new chapter in the success story that is agriculture and in the renaissance that is under way in rural America.

Much of the credit for those accomplishments must go to the National Grange and to its Master -- a man who, in his own time, is a figure of almost legendary statesmanship in agriculture.

Working with Herschel Newsom is one of the rewards in a job that is not always rewarding. His wisdom and good sense and unfailing kindness are a tremendous source of strength to me, beginning with

Address by Secretary of Agriculture Orville L. Freeman at the 99th Annual Meeting of the National Grange, Municipal Auditorium, Topeka, Kansas, 8 p.m. (CST) November 12, 1965.

the emergency feed grain program in 1961 and continuing through months and years of work, discussion and debate that led to the Food and Agriculture Act of 1965.

There is, even within government, a failure to appreciate the enormously complex job which must be done to get a major bill through Congress. The supporting work that must be carried on by the Executive and outside groups to accomplish passage is staggering.

With farm legislation, the amount of work is multiplied in direct ratio to the diminishing number of Congressmen who represent farm or rural districts. Increased determination and effort by those of us interested in agriculture -- and a special brand of statesmanship by legislators who are not directly involved -- are required to surmount this obstacle.

This is what happened in 1965. Lights were turned on early and burned late many many times during the past year. Many people doubted that we would succeed, and we did succeed only through the most intense effort by the President ... by farm organizations sparked by the Grange ... and, of course, by the farm committees and the leadership of the Congress.

Passage of the 1965 Act caps and climaxes a half-decade of dramatic gain -- five years of regeneration in the Nation's farm policy and farm programs that had been allowed to fall into disrepair.

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When the decade of the 60's opened, farm surpluses had grown too large, and farm income had fallen too low. And worst of all, a kind of fatalism had crept across the Nation -- defeat seemed inevitable and failure acceptable. Many people said "there is no answer to the farm problem."

We faced this together in December of 1960. We did not accept it -- and we have come a long way to reverse this sentiment. At the mid-point of the decade of the 1960's we can draw spirit and confidence from significant accomplishments.

I can think of no more appropriate place than the National Grange convention to announce that realized net farm income for this year will be at a level of \$14 billion -- a rise of \$2.3 billion since 1960 and the highest net income that farmers have realized since the Korean War years of 1951 and 1952. Next year will be even better.

There could be no better setting for a Secretary of Agriculture to call to the Nation's attention that we are in a period of rising farm income that is truly unprecedented.

1. Never before in normal peacetime has farm income been so high.

It is true that in two other periods of our history, farm income has been this high or higher. But the first was in the three years immediately following World War II. That was an abnormal period which reflected the release of pent-up wartime demand throughout our economy -- plus a heavy movement of U. S. food into parts of the world that had been ravaged by war.

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The other period of higher farm income was the two years following the outbreak of hostilities in Korea. You may say that we are in a period of limited war at the present time, too -- and it is true that our purpose is just as serious in Viet Nam as it was in Korea. But as many of you will remember, we had between 450 and 500 thousand military personnel involved in the Korean action at one time. The scale and nature of the action ... and the civilian feeding that was necessary ... created a definite impact on the U. S. commodity markets. Farm prices went up an average 17 percent in one year.

Viet Nam, on the other hand, has had little or no impact on farm prices in this country. It has had little or no effect on commodity supplies. We have a stable economy in a relatively stable world situation -- and farm incomes are at a record high for such a time.

2. This first 5-year period of the decade of the 60's has been unique in that it has provided farmers with generally rising incomes.

New farm programs enacted in 1961 helped to raise net farm income by almost a billion dollars, and since that time net income has never fallen below \$12.5 billion. In the past five years, net income has averaged almost \$1-1/4 billion above the average of the preceding five years.

In five years, this has meant a cumulative net income to farmers of more than \$6 billion above what they would have received had net income remained at the level of the late 1950's.

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3. Moreover, we can expect farm income to continue to rise -- not to sag as it did following peak periods of the past.

By 1966, farm income will be getting the stimulus of the new farm programs authorized in the bill just signed by the President. Wheat farmers, for example, will benefit from the new program providing for prices at 100 percent of parity for wheat sold for domestic food use. At present parity, this would be \$2.56.

Gross farm income during the last half of this decade will average more than \$10 billion a year above the level of the last half of the 1950's.

This means that farm income in the last half of the 1960's will bring an additional \$50 billion in spending power to the rural communities above what they experienced in the last half of the 1950's.

It is not unreasonable to expect that farmers -- in the last half of the 1960's -- will realize an average net income \$2 billion a year higher than the last half of the 1950's.

This means that in the next five years, farmers will receive a total net income \$10 billion or more above what they received in the last half of the 1950's.

Helping farmers' incomes and the Nation's balance of payments will be a continued rise in farm exports -- another long-time Grange

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objective. Congress, in enacting the 1965 law, recognized that the pricing of the major commodities near the world level would be a powerful stimulus to our trade in world markets.

With the new law, cotton as well as wheat and feed grain will be supported near the world price -- with the difference to U. S. farmers being made up in other ways. This decision was one of consummate realism -- the recognition that American agriculture must be competitive in the world market if exports are to grow.

U. S. farm exports have exceeded a record \$6 billion for two straight years. Now that the salesmanship that is a part of American tradition has been turned loose to compete in foreign trade, I have no doubt that commercial farm exports will climb by another billion and a half dollars by 1970.

What I have been saying is that the American farmer -- long the world's champion at producing abundance at low real cost to consumers -- is at long last beginning to share in his own success. He is now beginning to get some of the benefits of his own achievement -- in the form of dollars to use to clothe and care for his family and educate his children.

That is, of course, one of the historic goals of the National Grange.

When I first spoke to you in 1961, we had just totted up a record carryover of 85 million tons of feed grains -- and we were just beginning to take hold of that frightening surplus problem.

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We were up against a record oversupply of almost 1-1/2 billion bushels of wheat -- and were putting into effect a new program to deal with that threat to all of agriculture.

Tonight, I can report that the word "surplus" is no longer a synonym for wheat and feed grains. The surplus, practically speaking, is no more. Grain supplies have been brought down to near the safe reserve levels. These reserves, together with the flexibility in the new program to increase production, will enable us to meet food needs both at home and abroad.

Four years ago I promised to vigorously carry out the historic Grange position of making better use of our food abundance to meet human needs at home and abroad. Tonight, I can report that millions of people, both young and old, in this country and around the world, will be eating better than was the case four years ago.

The diets of nearly six million people in this country -- nearly a million and a half more than in 1960 -- are substantially improved through the direct food distribution program. More than a dozen different food commodities, as compared to only five, are being made available directly from USDA stocks. In addition, many areas which could not even afford the local costs of distributing this food are being assisted today through funds provided under the Economic Opportunity Act.

Over 600,000 persons in low income families are eating better because of the Food Stamp program which increases the food buying power of the family. This program has grown from a pilot effort in eight

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areas to a permanent instrument in the war on poverty, and is now in operation in 118 areas. By the end of the year it will reach nearly a million people in 207 areas.

The school lunch program has been enlarged to serve nearly three million more school children today than in 1960. Significantly, it has been expanded into more than 1,200 schools in low income areas for the first time, and additional steps are underway to provide free lunches to children who otherwise could not even afford the nominal cost of lunches in their school.

The Food for Peace program is now extending a record volume of food aid to more than 100 million persons in other lands. In addition, more than 40 million school children throughout the world are receiving a better diet through school feeding programs supported by American food. And our agricultural abundance is being used increasingly to support and encourage the construction of schools and other public facilities and to sustain all kinds of economic development projects and programs in other countries.

When I first spoke at your convention four years ago, we were just beginning to approach the problems of the rural community on a broad spectrum -- to attack in a major way the opportunity gap which faced the rural communities of America. We began to realize that parity of income for the adequate family farm was not enough, that we must also reach parity of opportunity in the countryside.

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Tonight I can report that the 89th Congress -- one of the most "can do" Congresses in history -- has given us new tools in a growing arsenal of weapons to help rural farm and small town people to create jobs and improve their communities -- to expand and diversify their economic base.

And the impact of these efforts is growing by the day.

Tomorrow night my close associate John A. Schnittker, the Under Secretary, will review with you both the progress and promise in our determined effort to accomplish a massive renaissance in rural life in the Countryside U.S.A.

For my part tonight, I want to impress upon you that our commitment to this effort to close the opportunity gap in rural life is as full as our commitment to achieve parity of income for the farm families in rural areas.

Both are the driving engines of full rural prosperity, and both will be achieved only if those who live in rural America seek to make full use of their potential.

In this respect, let me emphasize that the goal of parity of income for the adequate size family farmer can be achieved by 1970 -- but only if farmers use the Food and Agriculture Act of 1965 fully.

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The four-year term of these commodity programs is essential to each farmer, for it will enable him to exercise his skill and managerial ability over an extended period -- rather than on a year-to-year basis. But there is more involved than this. An urban Congress is suggesting that agriculture has four years in which to show that it can make farm programs work to achieve the goals of parity income for the adequate size farmer, abundance at less real cost for the consumer, and lower cost to the taxpayer.

Thus, we now must work together during the next four years to insure that these programs will effectively promote the total national interest. All of us must pitch in together in a full spirit of cooperation to carry out the law of the land.

I do not say this task will be easy, or that it will require little effort. Each of us will have to consider his own interests as well as those of his neighbors. In many respects, the job ahead will require even greater energy and dedication than was put forth to enact the historic legislation this year. And, just as the Grange was a dominant force in support of this program, I am equally confident it will display the same kind of leadership in the challenging days ahead.

We have come a long way since 1961 ... and for my part I cannot really express the gratitude I have for those distinguished farm leaders from the Grange who have been so generous with both the helping hand and the hand of friendship.

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In 1961, I was to many of you a stranger. Tonight, we are old friends. And, as a friend, I call on you to bring every resource of talent and imagination you have to the job of strengthening the economic and social position of farmers and the rural community.

You have accomplished much. The road that lies ahead is an unending one. But it is not a tedious one. It is a road filled with promise and excitement and new opportunity.

Let us be on our way.

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U. S. DEPT. OF AGRICULTURE
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Throughout American history the relationship between the Press and elected and appointed officials of government has not been consistently comparable to that which prevailed between Romeo and Juliet.

However, it must be conceded that Romeo and Juliet had a good thing going for them. Shakespeare was neither an editor nor a politician.

I'm not sure which historic personalities best exemplify the traditional relationship between government officials and the Press...

the Hatfields and McCoys, maybe...

or Crazy Horse and General Custer --

or, going even farther back in history to the Coliseum -- the Christians and the Lions. And I will let you determine which is who.

Perhaps the best comparison of the relationship of public officials and Press is with the couple who sometimes consider divorce, but stick together through thick and thin for the sake of the children.

Government and Press don't have children. But they share the same supervisors and critics. Newspaper subscribers are voters.

Let me hasten to assure you I did not accept your kind invitation to Omaha to use your podium for criticizing the Press.

Address by Secretary of Agriculture Orville L. Freeman before the 27th annual meeting of the National Newspaper Association, Sheraton-Fontenelle Hotel, Omaha, Nebraska, Friday, November 12, 1965, 1:30 p.m., CST.

Actually, my relationship with the Press over the nearly five years I've been Secretary of Agriculture has been excellent. Those newspapers which are consistently critical in editorial columns and cartoons only dislike two things about me:

1. They don't like what I say.
2. They don't like what I do.

My resistance to this has been non-violent -- and non-passive.

I've written more letters to editors than teenage girls have addressed to the Beatles. I've tried to educate more reporters than journalism schools at Columbia, Northwestern and the Universities of Nebraska, Missouri, Minnesota and Iowa.

And as soon as I find a reporter who understands the parity formula I'm going to award him a degree -- provided he can explain it so I understand it.

Sometimes I envy Larry O'Brien. The only statistic he has to remember is his Zip Code. And the price of stamps never appears in the Cost of Living Index.

As there are in all government agencies, there are a number of former newspaper editors and publishers in the Department of Agriculture -- most of them from the rural press. I sometimes think they do a better job brightening the image of Smokey Bear than that of the Secretary of Agriculture. My thoughts run in this direction usually

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when tourists go by my office and their children express rather vigorous disappointment when told it isn't where Smokey lives.

Anyhow, upon learning I would be participating in this conference, one of the former newspapermen in the Department brought me a stack of newspapers from all sections of rural America.

I would like to give you a brief review of my reading experience -- citing one of the newspapers ... not because it is different, but because it is typical. Like the others, it dramatizes the agricultural revolution and some of the results of national food and farm policies and programs of the '60's.

Hardin County, Iowa, has more than one town -- and more than one weekly newspaper. One of the towns is Iowa Falls, and one of the papers is the Iowa Falls Citizen.

The October 21, 1965, edition of The Citizen has 16 pages. Four of those pages are devoted to food ads. That's a fourth of the newspaper, and more than a fourth of its total advertising lineage.

It would be difficult to find a more graphic illustration of our era of food abundance.

Only in a society where food is plentiful and varied...only where there is confidence that the productive plant has both power and flexibility...can food merchants in a town of around 6,000 people -- serving a county of perhaps 20,000 -- compete with the vigor that finds expression in full-page weekly newspaper ads.

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USDA 3535-65

And what about the Hardin County consumers who visited those four stores -- and others in the area -- the weekend of October 21?

The average Iowa Falls housewife spent a smaller percentage of her husband's take-home pay than she was spending five years ago for a similar basket of foods. Her husband's earnings from one hour of work will buy twice as much food as would her father's only 30 years ago. Chances are her basket held more meat and fruit and vegetables than did her mother's.

Americans are eating better than ever -- cheaper than ever in terms of proportion of income going for food -- and that story of abundance is told and re-told every Thursday and Friday in the food advertisements of newspapers large and small all across the land.

And even if it were only in a six-point type, there ought to be a line somewhere in every one of those ads addressed to the farm families of the Nation which simply says: "Thank you."

Along with the four pages of the Iowa Falls Citizen devoted to what farmers sell, I found advertisements covering what farmers buy -- including the equivalent of two full pages of automobile and tire ads.

Farm families are among the major users of passenger cars, trucks and tires. This year in Hardin County, Iowa, and in rural counties across the Nation, they are better equipped as buyers. Realized net farm income in 1965 will bump the \$14 billion-mark, the highest in more than a decade.

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A recent issue of Prairie Farmer has an editorial which describes the farm income picture like this:

"Farmers have money to spend. More than they have had for a long time. They are going to be buying more machinery, more fertilizer, more building materials, and more household goods. Before the first of the year they will be making operating investments to increase expense to offset profits in order to whittle down their income tax. It's a good feeling. Farmers have at long last been given a well-deserved break..."

Prairie Farmer didn't risk having that editorial overlooked by current and prospective advertisers. Its advertising manager sent reprints to them.

This is a record-breaking year in crop production. It is a record-breaking year in farm income. It is a record-breaking year in foreign sales of farm commodities. It is a year in which we've seen once-burdensome grain surpluses brought back to the status of reasonable, desirable reserves.

And in the light of all this, I am tempted -- on behalf of farmers and government -- to repeat the last line of the current Rheingold ad:

"We must be doing something right."

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It is in doing more things right, in and for rural America, that rural newspapers and the Department of Agriculture share a common interest -- a common objective -- in the days ahead.

Agriculture is not what it was.

Neither is the country press.

I hear complaints that there are now but one or two weekly newspapers in communities once served by four or five ... that opportunity for young men to become publishers is increasingly limited ... that competition is giving way to monopoly, and monopoly is being extended from town to town by corporate ownership -- and that as a result of these changes in the country press the very foundations of the political and social structures of the rural community are being severely shaken.

You hear similar fears related to agriculture -- about fewer farms and farmers -- about decreased opportunity for young men -- about rising corporate ownership -- accelerated migration from country to city.

But we are not going back to having four or five poor newspapers in a rural community -- not after readers and advertisers have become accustomed to one or two good newspapers. We are not going back to handset type and readyprint and foot-powered presses.

Nor are we going back to 20-bushel corn yields, horse-drawn planters and harvesters, or to doing without fertilizers and electricity and automobiles.

Change is the way it is in rural America.

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We have no choice about that.

Our choice is between accepting it as a problem, or taking charge to channel it into progress.

You don't take charge of new situations with old tools.

We have new tools -- and one of the newest is the Food and Agriculture Act of 1965, signed last week by President Johnson.

It gives us new, up-dated, modern methods for cooperation between people and government to make the continuing technological revolution in agriculture serve farmers, consumers and the general welfare.

This legislation, President Johnson emphasized in adding his signature to it, "sets the course of a farm policy geared to growth" and is a "new link with the future."

I am pleased to note the widespread interest and approval of the Food and Agriculture Act from farmers, and from many economists and businessmen -- including some who have not been enthusiastic supporters of farm programs in the past.

It is good to have new programs accepted, of course. But those of us who worked so hard for so long on the bill can be forgiven, I hope, if we ask for recognition of two facts:

1. We have the Food and Agriculture Act of 1965 only because of dedicated effort and the most enlightened statesmanship -- perhaps unprecedented in farm legislation. A "faint heart" survey taken last

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May would have found much serious doubt whether any major part of the so-called Omnibus farm bill then languishing in committee would survive. But, months of work and effort began to tell. The basic soundness of the approach -- shaped and modified on the anvil of debate and compromise -- emerged. Untold hours of midnight and weekend oil went into this -- and it is only this intense effort by the President, farm organizations and commodity groups, and the Congress that made success possible.

2. My second point is that the farm program just enacted is something new in the Nation's agricultural policy. It is the beginning of a long-term land policy that recognizes our country's total needs. It is the beginning of a price policy recognizing that U. S. farm products must be competitive in markets at home and throughout the world.

I urge you, as reporters and editorial commentators, not to make the mistake of accepting the new food and farm policy and the programs growing out of it as "old hat" or "more of the same."

There has been nothing exactly like it before.

I am here today primarily to ask that you give some careful attention personally to this new policy, now the law of the land for four years, which will guide American agriculture over the remainder of this decade. If it functions as we expect it to, then every person in this country and millions of people elsewhere in the world will live a little better life.

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But those expectations will never be realized unless people understand the program -- unless they can see how it performs and why it is important that everyone cooperate so it will work effectively in the total national interest.

That is where you come into the picture. If you will devote just a few hours of your time -- and I know how difficult it is to find "just a few hours" -- to study this program and its purposes; if you will keep abreast of the program as it begins to function; if you will observe the effectiveness or lack of it by those who administer it; if you will inform your readers and the Secretary of Agriculture of these things, then I am confident the Food and Agriculture Act will have a better chance to fulfill every expectation.

Then:

We can anticipate that the adequate commercial family farm -- already growing steadily in numbers -- will continue to grow in numbers and in strength. Our agricultural system will be both productive and profitable.

We can anticipate that consumers will continue to find in every food market an abundant variety of quality foods, and will buy it with a decreasing share of family income.

We can anticipate expanded sales of agricultural commodities in foreign markets.

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We can anticipate continued adequate reserve stocks of food and fiber in the place of unneeded, unwanted, expensive surpluses. These reserves, and the capacity to substantially increase production, will give us adequate flexibility to respond to any food needs either at home or abroad.

We can anticipate that farmlands not needed for crops, rather than being wasted in idleness -- will be used for recreation, for preservation of beauty, for the protection of air and water from pollution.

We can anticipate that farmers will provide a growing market for industry and business, and contribute even more strongly than now to an expanding national economy.

We can anticipate that the rise in farm income will continue to bring more dollars to Main Street -- to businessmen, including publishers -- in cities and towns all across America.

The increase in realized gross farm income in the five years since 1960 has moved some \$28.3 billion in farm income into rural communities above what farmers received as gross income in the preceding five years.

Most of this was spent in the local community for farm supplies and family needs.

The new farm programs -- assuming the current trends in our economy will continue -- will mean that realized gross farm income will continue to rise in the next five years.

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Gross farm income during the last half of this decade will average more than \$10 billion a year above the level of the last half of the 1950's.

This means that farm income in the last half of the 1960's will bring an additional \$50 billion in spending power to the rural communities above what they experienced in the last half of the 1950's.

It is plain that the achievement of parity of income opportunity for the families on adequate farms will shore up the foundations of rural America. Nevertheless, as the President pointed out last week -- and as you have known for a long time -- putting agriculture on a sound and stable basis is only half the battle in rural America.

While we increase our exports of soybeans, grains, livestock, and milk from rural America we must reverse a situation that has prevailed far too long -- the export of people -- the exodus of people from country to city.

But to do this will require the creation of opportunities for earning in processing or making products, as well as growing them...in exploiting the job opportunities associated with adequate utilization of a major rural resource, outdoor recreation...in adding to opportunities for positions in public service related to the educational and health facilities which too many rural areas have lacked for too long...in replacing inadequate housing and extending water lines and waste disposal services.

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I don't suppose there is a newspaper representative in the room who hasn't labored long and hard, and invested his own and his newspaper's money, in industrial development committee activities. You've been at it a long time.

I've been at it for quite awhile too -- first as a Governor and now as a member of the President's cabinet.

But now we have a very special opportunity.

You, and your associates in community leadership, have more resources now than you've ever had before -- including a President who understands the problems and potentials of the whole of rural America, a cooperative Congress, and a growing realization in the cities that rural growth is one of the solutions to urban congestion and poverty.

One of the city voices recently raised in behalf of utilization of rural America's space and people by industry is that of W. B. Murphy, President of the Campbell Soup Company.

Addressing the Economic Club of Detroit, Mr. Murphy warned industrialists and bankers that urban problems will be compounded if the trend of industry toward urban areas continues. He pleaded with industry to proceed more rapidly on the road to geographical decentralization. "Manufacturers can do themselves a favor," Mr. Murphy said, "and our country a service by allocating a fair share of their new plants to the rural areas."

His company practices what he preaches -- its newest plants have been placed in rural communities.

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I know you share my appreciation for Mr. Murphy's philosophy and actions.

Let me repeat: Rural community leadership has available to it more help in expanding earning opportunities that will keep rural high school and college graduates at home, and attract new families, as well as halting the exodus of people unprepared for life in city slums, than at any other time in history.

And I would remind you the Department of Agriculture has eyes, ears, hands, hearts, and skills available each day in your communities anxious to follow your lead. And these county Extension directors, home economics agents, soil conservation technicians, credit specialists, and commodity program administrators call your communities -- not Washington -- home.

They are in your communities to help you. They add to your own resources the extra resources made available by the Congress through agencies of the Federal Government -- not just the Department of Agriculture, but all agencies. They are a part of the USDA's Rural Community Development Service.

During the first quarter of the current fiscal year -- a period ending September 30 -- families of 119 rural communities in 20 States used over \$18 million worth of the Department of Agriculture's lending and loan insurance authority to help finance new water systems.

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In the same period the Department made more than 3,000 economic opportunity loans totaling over \$6.5 million to rural farm and non-farm individuals and groups -- loans that will enable them to increase their incomes and levels of living.

And during the period another \$32 million in loans went to over 4,327 rural families to build new homes or repair and remodel homes, and more than a million dollars was advanced for the construction of rental housing projects for senior citizens and farm laborers.

The Department's authority to help finance rural community facilities through loans and grants has been expanded to cover larger towns and include waste disposal systems -- so in the year ahead we'll be better able to help create an environment conducive to development of better living and earning opportunities.

Let me make this fact clear:

Neither the Secretary of Agriculture, nor the Department of Agriculture, nor to my knowledge, anyone in your Federal Government wants to take charge of rural America.

We are anxious to help the people of rural America chart their own future, and only want to make available those financial and technical services which communities and individuals want and need.

The Great Society that is the United States of America will be truly great when parity of opportunity for learning and earning and living rewarding lives cannot be distinguished by city-country boundary lines.

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Let us then keep our twin goals in sharp focus before us.

We can have parity of income for the adequate commercial family farm by 1970 if we cooperate to insure the Food and Agriculture Act of 1965 realizes its promise.

We can have parity of opportunity in the countryside if local leadership capable of using new Federal opportunities is forthcoming.

But neither of these goals will be accomplished without an alert, informed and active Press. Thomas Jefferson said, "He who believes that a Nation can be both ignorant and free, believes what never was and never will be."

I know you will do your part.

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JAN 7 - 1966

This is a happy occasion for me.

C & R-ASF

It is the mid point of the decade of the '60's. It is a good time to take stock and see where we started, where we are and where we will be when this dramatic decade of progress closes in 1970.

These are optimistic times for agriculture ... for rural America ... and for the Nation.

Farm income is up. In fact, net farm income will reach \$14 billion this year. This plateau has been exceeded only five times in this century.

Next year will be even better, according to the outlook material before you.

The real cost of food, as measured by the proportion of family income spent to acquire it, is lower than ever before -- and the quality and variety is greater than ever before.

Grain surpluses have been nearly eliminated, the tobacco carryover has turned down, and, even with large stocks of cotton, the carryover stocks of farm commodities are the lowest since 1957.

Farm exports are at record levels, substantially exceeding our 1961 estimate, and now account for one out of every six dollars the farmer earns from the sale of his products.

Address by Secretary of Agriculture Orville L. Freeman at the 43d Annual National Agricultural Outlook Conference, Thos. Jefferson Memorial Auditorium, Washington, D. C., Monday, November 15, 1965, 9:40 a.m., EST.

The Congress this year has enacted a sweeping new farm program in the Food and Agriculture Act of 1965 which involves basic changes in farm policy. This legislation extends over the next four years, something never before done in farm programs.

The strategic importance of agriculture to the health of our economy and to our influence in world affairs is more fully recognized. Never before has a President asked a Secretary of Agriculture to head a committee made up of the Secretaries of State, Commerce and Labor to advise him on agricultural policy of the future -- its impact on the domestic economy and our foreign policy -- and appointed a commission of citizens so broadly representative of the Nation's economic interests to participate in this effort.

We have come a long way since my first appearance before this conference four years ago.

The prevailing mood in agriculture that year was one of pessimism. It reflected a concern among farmers over the direction of farm policy and an apathy among urban Americans who saw farm policy as an issue where no answer existed.

The American farmer had achieved unparalleled success in making the land produce an abundant harvest year after year. Yet, most people had become convinced that this success was more of a problem than an enormous achievement, and few people understood that the real problem grew out of our failure to use fully the opportunities which abundance provides.

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This was the beginning of the struggle to devise farm policies which would improve farm income and at the same time make better use of abundance -- which would bring a better balance between production and use of food and fiber and at the same time reduce surpluses and the cost they placed on the American taxpayer.

We have had to face the arduous task of obtaining major farm legislation each year, starting with the Emergency Feed Grain Act of 1961.

We have come through a period of trial every step of the way, for the task was to develop programs which would work -- but first would pass the Congress, and then would meet acceptance by farmers -- and the Nation's Consumers and taxpayers.

Outlook work was not easy during this period, and I appreciate the difficulty this imposed on you -- particularly when an impatient Secretary of Agriculture demanded answers to questions where the best response was only an educated guess.

I believe, however, that when agricultural historians come to review the decade of the sixties, they will agree that the Food and Agriculture Act of 1965 was a major turning point -- a major breakthrough -- in farm policy.

This claim can be verified on several different levels.

No farm legislation in recent years had so much bi-partisan support as the Food and Agriculture Act of 1965 received.

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There are very few people today -- and certainly many fewer than in 1960 -- who take the position that farm programs are not needed.

There is broader recognition that any agricultural system must provide the individual farmer with maximum flexibility to use his judgment and managerial skill.

Thus, the extremes have been cut away from farm policy issues, and a broad base of support for present policies has been achieved.

On another level, there is more recognition that farm programs are as vital to urban people and to the world interests of this country as they are to farmers and the rural community.

This reflects, I believe, a deeper understanding of the meaning of abundance -- and the opportunities and responsibilities which abundance creates for those who seek and achieve it.

Abundance, by definition, implies a condition where there is more than enough food for every person and the capacity to produce more than enough. No degree of planning can insure precisely the amount of food required for every person. This would require perfect control of all elements of production, including weather, as well as precise control over the amount of food each person consumes.

No system has been devised to achieve this kind of perfection. Therefore, overproduction is always a threat to the producer who makes abundance possible.

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The American farmer -- the family farmer -- has achieved true abundance. But he has done it through an economic system that tends to levy a terrible penalty for abundance -- that is, for producing slightly more than enough.

He lives in a marketplace where abundance is treated as excess production -- where efficiency and productivity can bring ruin more easily than wealth.

You economists have a clinical name for this condition. You call it inelasticity of demand. For every percentage increase in production of farm commodities beyond the point where needs are satisfied, the price of farm commodities will fall on the average by 4 percent. This condition is further complicated by the organization -- or lack of it -- in agriculture. With a system of family farms, no individual farmer can improve his return by a decision to reduce production since his individual action has no effect on market prices.

In the past this has meant that few farmers were able to earn parity of income -- or a return for his investment, skill and labor comparable to that which these resources could earn in other occupations. Five years ago, even with farm programs, few farmers earned parity of income. Today, the progress of the past four years has meant that nearly a half-million farmers earn parity of income.

The essential task of farm policy -- while it has appeared to be designed for the farmer alone -- has been to find some special glue

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to hold together an agricultural industry that can be both productive and prosperous. What has evolved in the Food and Agriculture Act of 1965 is a balancing mechanism to assure abundance within a system which is not a natural host.

The Food and Agriculture Act of 1965 draws on the experience of three decades of farm programs designed to make possible continued abundance of food and fiber at a minimum cost to the taxpayer, at reasonable prices to consumers and at a fair return to the producer.

It puts this Nation well along the road toward a basic change in farm policies, for, despite similarities in appearance and purpose with previous legislation, the new legislation provides a new approach to farm policy.

Specifically, the provisions of the Act of 1965 represent a shift in policy away from price supports for the major commodities at levels above world market prices -- a policy which has characterized commodity programs since before World War II -- to a policy of using the market, both domestic and foreign, to the maximum by setting price supports as close to the market levels as possible.

At the same time, farm income will be strengthened through provisions for direct payments to farmers who cooperate by diverting productive acres to other uses. While direct payments to cooperating producers in combination with a market price support loan is not a new concept, extending its use to cotton as well as feed grains and wheat is a major breakthrough.

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Another important feature of this legislation is a Cropland Adjustment Program which will be carefully tailored to supplement the individual commodity programs -- and to reduce their cost. Equally important, this program breaks new ground toward improved urban-rural relations. It encourages farmers to develop conservation practices which will increase wildlife, and to open their lands to urban sportsmen. It also will provide more open space for recreation and beautification, and will enable States and local communities to obtain new land to meet the rapidly growing demand for outdoor recreation.

The new legislation also provides a dairy program which will enable producers in Federal Milk Marketing Order areas to reduce surplus milk production.

The primary value of the new policy can be summed up in one word: Flexibility.

While the policy emphasis has been to restrain production, this legislation can effectively trigger an increase in production if it is needed. The authority exists to bring back into production the more than 50 million acres presently diverted from crop production. If the need arose, for example, we could double the Nation's wheat production in two years -- with most of the increase in the first year.

Individual farmers will have greater flexibility in the management of their operation, with a broader range of alternatives to consider in determining the course that seems best for their individual needs. With a four-year program, the farmer can plan ahead with greater assurance than ever before.

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With the new policy, increased reliance will be placed on market demand as the key factor in market pricing. This means that the farmer will be able to price his products competitively in both domestic and world markets, and that the daily business of acquiring and disposing of surpluses through Government channels will be greatly diminished.

This new approach will encourage maximum domestic use of farm commodities -- and slow the development of substitutes, and it will also enable the farmer to gain a stronger position in world trade. These programs, for example, take a big step toward fulfilling our obligation under the General Agreement of Tariffs and Trade to use export subsidies as sparingly as possible in gaining a fair share of world markets.

No policy, however, can be fully understood, nor its impact adequately forecast, unless it is judged against the conditions we expect will prevail in the years immediately ahead.

Let me list some of these briefly:

First, the abundance revolution -- the explosion in productivity which began in the early 1950's -- will continue unabated. Change, rapid change, will continue to be the dominant characteristic in American agriculture.

Second, our capacity to produce will continue to exceed our ability to consume or to export. Increasing prosperity at home will cause some shifts in consumption patterns, but consumption of food will increase only about as fast as our population grows.

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Third, world markets will grow more rapidly than domestic markets. A rising level of incomes in other Nations will bring new export opportunities to American agriculture, and the failure of agriculture in Communist Nations to provide adequate supplies of food will add a new dimension to world markets.

Fourth, we will continue to maintain adequate reserves of food and fiber, as opposed to unneeded surpluses, to respond to any need at home or abroad, and we will preserve the capacity to expand production substantially.

Fifth, we will continue to make better use of our food abundance as an instrument of American foreign policy and humanitarianism as we also help other countries to improve their own agriculture and avoid disruption of world commerce.

In this context, the new farm policy of the Act of 1965 will enable agriculture to insure that:

* The American people will eat better and at less real cost by 1970 than they do today. More than 195 million American people today enjoy an abundance of the highest quality food of any Nation, and they spend about 18.5 percent of their disposable income for it -- less than in any other Nation. By 1970, more than 209 million Americans will be eating more meat, poultry, fresh fruit and vegetables, and will be spending about 17 percent of their disposable income for it.

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As a result, a family of four will have about \$160 additional income to spend for other purposes because the real cost of food will be lower than it is today.

* Grain surpluses will disappear before 1970, and the surplus in cotton and tobacco will be substantially reduced.

* Farm exports will continue to expand. Exports this year are pushing beyond \$6 billion to a new record, and will exceed 1960 levels by more than \$1.5 billion. By 1970, farm exports could well increase another \$1.5 billion to beyond \$7 billion, with most of the increase in dollar sales.

* Net farm income over the next four years will average nearly \$2 billion a year higher than during the latter half of the 1950's. Net income per farm will be more than \$4,100 this year, or about 40 percent higher than in 1960. Per capita income of farm people increased 35 percent, while non-farm income per person rose about 20 percent, over the same period. The income gap between farm and non-farm people is narrowing and will continue to draw closer together in this decade.

* The Food for Peace program will become an instrument of greater strategic importance in American foreign policy by 1970 than it is today. The program will continue to guard against famine, and it will provide increasing means of assisting the developing Nations to improve their agricultural capacity.

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Four years ago these projections would have been described as the idle speculation of a perpetually optimistic dreamer. Today, because of the back breaking effort of a great many people, they seem almost cautious.

But four years ago, few people understood the true significance of the unbelievable success of the American farmer. Today, because we have tried to be as imaginative in applying the power of this achievement as the farmer has been in producing this abundance, we have begun to realize some of the potential of abundance.

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+ HOPE FOR HUNGRY NATIONS

This is the third time I have had the pleasure of addressing the FAO Conference, and my anticipation is greater this time than ever before.

I find that old friendships are deeper, and thus I anticipate their renewal.

I find that the passage of even a few years, in this era of rapid change, brings exciting new concepts and new discoveries which add new meaning and greater understanding to the discussions that enliven this gathering.

But, most of all, my anticipation of this conference, mid-way through the decade of the 1960's, is heightened by a spirit of optimism toward the problem which binds us together in common cause.

Many of you may feel there is less cause for optimism for victory in the war against hunger today than at any time since this organization came into being two decades ago. Certainly a quick reading of world headlines would appear to give little support for optimism.

But today I should like to unfurl a banner of hope -- a hope that arises because it now seems possible to win the war against hunger within the next 10 or 20 years.

Address by Secretary of Agriculture Orville L. Freeman at the Biennial Conference of the Food and Agriculture Organization, Rome, Italy, Tuesday, November 23, 1965.

This hope is based -- not on wishful thinking -- but on sound research. It is based -- not on a report of the tremendous productivity of the highly developed nations -- but on an analysis of the efforts and progress made by many newly developing nations in improving their own agricultural productivity. It is based on research on "Changes in Agriculture in 26 Developing Nations, 1948 to 1963," a study made by the Economic Research Service of the United States Department of Agriculture, under the auspices of the U. S. Agency for International Development, and scheduled for publication today.

This study reveals no easy road to victory -- but it does indicate that freedom from hunger can be won. It shows how the energies and resources of some newly developing nations have been effectively mobilized to sharply increase their rate of agricultural growth.

Before I summarize some of the significant conclusions of this study I want to emphasize that it was made within the framework of a world newly awakening to the threat of hunger. I want to pay most sincere tribute to the contribution made by the leadership of FAO, and its Director General, Dr. Sen, and by countless other individuals and organizations in the effort to arouse the statesmen and the people of the world to the urgency of the impending crisis.

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You have heard, or will hear, many of these people from this platform. Many have raised their voices in the congresses and parliaments of the nations. Many have spoken in houses of religious worship; many have spoken in classrooms and in small villages.

Some of them have made pessimistic headlines that I referred to earlier. They have called attention to a clearly present danger. They have warned us that current trends of accelerated population growth along with too slow an increase in food production will -- if allowed to continue -- bring about a world emergency in the race between population and food supply.

This danger is clear and imminent. But the first essential step toward avoiding danger is a recognition that it exists. Today, the people of the world and those who lead the nations of the world are more aware than ever before of the magnitude and dimension of the approaching crisis.

A decade ago, those of us who were concerned with agriculture and with creeping hunger spoke out just as we do now -- but not very many people listened. Today we have at least pierced the shell of apathy, and, as a result, indifference to agricultural development is rapidly dissolving throughout the world.

The new awareness of the danger has already brought results.

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A beginning has been made in directing greater attention and more resources toward population problems. Family planning can now be discussed and encouraged in a more rational atmosphere with the hope of effective measures being developed over the next few decades.

A beginning has been made in directing more resources in the newly developing countries toward the development of agriculture and the expansion of those facilities -- processing, transportation, storage and marketing -- which are essential to an expanding agricultural economy.

Much deeper though and more careful study is being given to attempts to measure the need that will exist 10 or 20 years from now, and to an evaluation of policies and programs to meet that need.

As a result, certain concepts are becoming clear.

We know that hunger can be allayed when those who have an abundance give food to those who do not have enough. In my country we have acted on this knowledge and developed the necessary techniques through our Food for Peace program, and in cooperation with our fellow members of the United Nations and of the FAO through the World Food Program. We know that this sharing of abundance not only can relieve hunger and promote better nutrition but also can be directed toward

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encouraging over-all economic growth. It can help avoid the danger of inflation fueled by rising food costs. We therefore urge the continuation and expansion of the World Food Program. We hope that the World Food Program target will be reached by pledges from the member nations.

But we also know that food aid cannot by itself solve the problem of world hunger, although it can contribute to that end. World hunger can be finally solved only in those areas where it is most prevalent. The hungry nations themselves will have to do much of the job. The well-fed nations can help.

Victory in the war against hunger will be won when the newly developed nations have increased their agricultural productivity and over-all economic growth so that they can produce or purchase enough to meet their needs and fulfill their demands. But this potential victory can be achieved only by overcoming enormous difficulties.

Most of the hungry people live in nations with little new land to put under cultivation, and they will have to increase their agricultural production the harder way -- by increasing yields.

Most of the hungry nations face problems of illiteracy when they approach the task of teaching farmers how to ~~in~~crease yields.

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Most of them need funds and foreign exchange to acquire fertilizer and other essential chemicals, or to build plants to produce those inputs. They need to develop policies that will provide their farmers with incentives to produce more -- policies that will ensure a fair return for work on the farm and that will make it worthwhile to apply the inputs to increase yields. They need institutions to provide farmers with credit; they need facilities for handling, storing and distributing food.

Their needs are indeed great, and I would be the last to minimize the difficulty of the job. But I am optimistic that it can be done, for three reasons.

The first reason I have already indicated -- a real breakthrough has been made in awareness of the importance of the job. We are beginning to recognize that, in a world as closely interdependent as ours is today, the future of highly developed as well as newly developing nations depends upon victory in the war against hunger.

The second reason for my optimism is that we know how to produce abundantly. The greatest and most far reaching explosion that is taking place in the world today is the explosion in scientific knowledge. Now we need to learn how to use this new knowledge to bring about the essential increase in food production. The skills can be taught; the technology can be adapted; further research can bring even greater progress.

The third reason for my optimism arises out of the conclusions of the study I described earlier. This study reveals the startling fact that some newly developing countries are already increasing their agricultural production at rates far higher than those ever achieved by the highly developed nations -- including my own.

Economists in USDA's Economic Research Service began this research project more than two years ago, under an agreement with the AID, for the purpose of studying "Factors Associated With Differences and Changes in Agricultural Production in Underdeveloped Countries." The research staff benefited from information and suggestions from many sources. The FAO cooperated by making available, in addition to its regular reports, much other information, including special tabulations from past survey records and new information obtained through questionnaires and field visits by FAO personnel in FAO member countries.

Twenty-six newly developed nations were studied -- 7 in Latin America, 5 in Africa, 4 in Europe, 6 in the Near East and South Asia, and 4 in the Far East. The report shows levels and changes in agricultural output and productivity in these countries between 1948 and 1963. It seeks to identify and assess the role of major physical, economic and social factors associated with these levels and changes.

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During the years between 1948 and 1963, twelve of these 26 countries had annually compounded rates of increase in crop output of more than 4 percent a year -- rates of increase surpassing those ever achieved for equally long periods of time in nations that are now economically well advanced. Four of these countries were in Latin America, 3 in Asia, 2 in the Far East, 2 in Africa, and 1 in Europe. /1 These rates of increase ranged from 4.2 percent to 9.7 percent, and averaged 5.6 percent. Compare this with an average under 3 percent in the U. S., even during the war years when our national policies were directed toward increased production.

The experiences of these countries present valuable evidence on possibilities of improving agriculture in less developed countries generally. They demonstrate what can be done. Their value as examples is enhanced by the large differences among them in many of the factors that are often considered crucial to agricultural progress.

Some of them are tropical, some semi-tropical, and some lie in temperate climatic regions. These countries differ greatly in their rural population densities and in their potential for expanding acreage under cultivation. They exhibit notable differences in the level and stage of economic development and in other cultural characteristics. Some have had much lower per capita incomes as a base

/1 - Mexico, Costa Rica, Venezuela, Brazil, Israel, Turkey, Thailand, The Philippines, Taiwan, Sudan, Tanganyika, Yugoslavia.

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for capital accumulation, much lower levels of literacy, and much less adequate educational systems for developing increased awareness of possibilities and for improving skills and management abilities than have some of the others among the 26 that have improved their agriculture very little.

If we seek to learn the secret of success from these examples, we find no fixed pattern. Success in raising food production has been achieved in countries with high levels of literacy and in countries with very low literacy levels. Success has been achieved by countries which differ widely in soil and climate, in historical backgrounds, ethnic and cultural features, man-land ratios, in proximity and access to world markets. No one of the 12 countries had all of the factors generally regarded as favorable.

The common factor that seems essential to success is a national will -- a national determination to strengthen agriculture -- strong enough to adopt policies and programs that make the most of conditions which do exist. Geographic, economic and social conditions, as well as land, labor and capital -- these are important factors, but they by themselves do not have the power to determine a nation's growth, either in agriculture or in general economic development. It is rather the responses and adaptations to those conditions -- the policies and programs which are followed -- that determine progress.

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I believe there are many important lessons to be drawn from this study.

First, there is no inherent reason why most of the newly developing countries cannot within the next decade or two increase their food and fiber production so as to meet the increased demands of their citizens and to have enough food or food-producing resources to spare to contribute substantially -- through trade and non-farm employment -- to general economic development.

Second, studies and research involving social and economic factors, political relationships and administrative organizations as they affect agricultural development may be fully as important as scientific studies of plants, animals and soils. If we can learn more about what kinds of policies and programs make for greatest success under varying conditions we can progress more rapidly toward our goal. It is for this reason that we in the United States engage in research projects such as the one I have mentioned. It is for this reason that we strongly support FAO's Indicative World Plan, which will map goals and explore ways by which those goals can be reached in the newly developing countries.

We need more study -- and we need more action.

The barriers to progress in agriculture and food are many and complex. In many places incentives for farmers to achieve a high rate of innovation or even greater production are lacking.

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In some places the lack of political stability holds back progress. Administrative machinery is often inadequate and trained personnel cannot be found. In some cases authority to take the necessary action may be missing, or so diffused as to be non-existent.

Not all of the barriers are in the newly developed countries. Within the highly developed countries there is still too little recognition of the urgent importance of eliminating world hunger, of the critical need for agricultural development in most of the hungry world, and of the long-term benefits these nations will gain as they help the newly developed countries to achieve more of the benefits of modern civilization.

We are proud of the contribution the U. S. has made. Under the Food for Peace program we have shared more than 140 million tons of food in the past decade, and this program has reached people in 115 countries around the world. We have sought not only to allay hunger, but also to assist in the development of schools, public and private enterprises, hospitals, roads, and the other elements of economic growth which provide the opportunity for a better life.

We know, however, that the hungry nations continue to fall behind. The food gap continues to widen.

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We take encouragement from the study which shows that a hungry nation determined to improve its own agriculture has the best chance for success. We are not pessimistic. But we are concerned that more rapid progress should be made.

Even as we recognize the difficulties, I would reiterate and emphasize the spirit of optimism and hope. The difficulties ahead demand our best effort. And human nature is such that we put forth our greatest effort -- not when we are satisfied, for then we become lazy; not when a danger looms ahead so overwhelming that we see no way out, for then we become hopeless -- but when we see the crisis clearly. Then we recognize and begin to understand the difficulties, and see hope for success that makes all our effort worthwhile.

It was in a spirit of optimism and hope that 34 nations organized the FAO twenty years ago. Its early emphasis in pooling, increasing, and sharing the world's knowledge of agricultural science and skills has broadened to include field programs directed toward agricultural development, and cooperation with other multilateral agencies (United Nations Development Program, UNICEF, IBRD, Inter-American Development Bank) in carrying out technical and financial assistance in agriculture. This broadened emphasis reflects the wisdom and the vision of FAO leadership in facing the challenge of this rapidly changing world.

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During its first twenty years, the FAO has made noteworthy achievements. It has contributed enormously to filling the gap in our knowledge of the condition of world agriculture and of the world's need for food. Widespread concern over the growing threat of world hunger began to be heard only after the FAO launched its Freedom from Hunger campaign. Multilateral cooperation in the effort to use abundant food supplies to meet emergencies and to promote economic development began with the World Food Program.

Upon this foundation, the FAO now faces a tremendous challenge -- and a tremendous opportunity. It must be ever alert to strengthening its capabilities to carry out its growing responsibilities.

I hope that we will be able to devote increasing attention and talent to the expanding field programs -- coordinating FAO's technical assistance activities with those of other multilateral agencies, with those carried out bilaterally, and with host country development plans. Sound and effective field activities will materially help the developing countries along the road to success.

The future role of the FAO is limited only by the strength of its capabilities, the vision of its leaders, and the support of its members. Victory over hunger can be achieved, it must be achieved.

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3
U. S. Department of Agriculture
Office of the Secretary

Secretary of Agriculture Orville L. Freeman today asked the Farm Credit Board to study the changing needs for credit in farm and rural areas and to recommend new services and techniques which can help meet these needs.

He spoke at the regular quarterly meeting of the board, an independent agency which supervises the Cooperative Farm Credit system of Federal land banks, production credit associations and banks for cooperatives. The meeting was held in the U. S. Department of Agriculture.

The system was established in 1917 with capital provided by the Federal government. The system today has a net worth of \$1.6 billion, of which 12 percent is from Federal sources and the remainder represents the ownership equity of farm borrowers. Loan volume of the system is about \$6 billion a year. Eventually all Government investment in the system will be repaid and all equity will be privately owned.

"In the postwar period, the increase in farm debt -- or in the use of credit -- has been an essential factor in achieving the goal of true abundance. The advances in technology and improvements in the efficiency of commercial agriculture could not have occurred on the scale that was required without the use of large amounts of credit.

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Excerpts of remarks prepared for delivery by Secretary of Agriculture Orville L. Freeman at the meeting of the Cooperative Farm Credit Board, Washington, D. C., Monday, Dec. 6, 1965, 9:30 a.m., EST.

"In the years ahead, credit needs on the farm and in the rural community will continue to expand sharply, particularly as farmers increasingly employ credit -- or debt -- as a management tool to improve farm incomes."

The Secretary reviewed the farm debt situation, and described it as generally sound. He noted that farm debt has increased at about the same rate as debt of corporations and at a somewhat slower rate than consumer debt or private noncorporate mortgage debt.

He observed that farm assets in recent years are increasing three times as fast as farm debt. Since 1960, farm assets have increased \$50 billion while farm debt is up \$16.2 billion, leaving a net increase in farm equity of more than \$33 billion.

"In 1965 the rate of increase has been about four to one, the Secretary said, with farm assets increasing by \$15 billion while debt has climbed \$3.6 billion.

"The increase in farm debt in recent years reflects an increase in the loan amounts per borrower, and not an increase in the number of borrowers, the Secretary said. This indicates that farmers are using debt to enlarge, intensify and improve their operations, he suggested.

"Contrary to the situation which prevailed earlier in the postwar period, Secretary Freeman said, farmers generally no longer are using credit as a substitute for income. Instead, they are building up production assets through the use of credit faster than they can accumulate savings for this purpose.

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The Secretary noted that recent reports show that loan repayments among farmers are high and that delinquencies and farm foreclosures are extremely low.

"The generally healthy debt picture in agriculture should not be allowed to foster an attitude of complacency, however," the Secretary emphasized. He listed three areas of concern:

* "Are adequate steps being taken to insure that young people who want to go into farming will have access to the credit needed to acquire the resources for an adequate size farming operation? We must make it possible for vigorous, competent young farmers to get started if we expect agriculture to continue the progress that makes food available to the consumer at a lower real cost year after year.

* "Does the rural community which seeks to provide a better range of non-farm income and job opportunities for young people have access to adequate credit resources to finance this process of growth and development?

* "Can further steps be taken to improve the credit resources for the middle range cooperative -- that is, the cooperative which does not qualify for credit under the programs of the Economic Opportunity Act, but which does not enjoy the advantages which accrue to the very large cooperative?"

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"I hope that you as members of the board of the farm credit system also share these concerns. I would also hope that you will study these areas of credit needs and recommend to me a series of actions which could be taken by public and private institutions to meet these needs.

"The Cooperative Farm Credit System has helped to pioneer the constructive use of debt in agriculture, and many of the accepted credit practices in farming were initiated by the system.

"But as agriculture changes, and as the appetite for more diversity in the rural economy grows, the credit institutions and those who help to guide them must seek new ideas and new concepts to insure that rural America grows at a pace that creates opportunity for all who seek it."

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History demonstrates that communities and civilizations rise and fall on the adequacy of food and water. And of the two, the more basic today is water.

Without water man cannot produce food -- without water man cannot even sustain life long enough to search for food.

Thus, when we plan for the wise use ... for the conservation of natural resources, we must plan first to protect our supply of clean, usable water which must satisfy the prodigious appetite of an expanding nation.

Many years ago when our nation was young, this seemed to be a needless concern. Streams, rivers, and lakes appeared boundless in supply. But as the demands of industry, of agriculture and of a nation rapidly becoming more urban have grown, the quantity of water to satisfy basic needs has come to command top priority in our thinking and planning.

The availability of pure water is today a major national challenge. The problem of waste disposal from our cities, our manufacturing plants, and our farms is becoming increasingly acute. It is clear that the steps we have taken so far to use and re-use water are insufficient to sustain an adequate supply.

Much more must be done, and swiftly.

Remarks prepared for delivery by Secretary of Agriculture Orville L. Freeman at ceremonies marking the establishment of a USDA Water Research Laboratory at Southeastern State College, Durant, Oklahoma, 12:00 noon (CST) Monday, December 13, 1965.

There are obvious, and not so obvious, reasons for the Department of Agriculture to devote a good part of its research program to the study of total water management. Obviously we must be sure that agriculture is making the best and most efficient use of water in farm production, and that our agricultural practices do not add to and compound the problems of water pollution.

Less obviously, agriculture plays a key part in the very beginning of any water conservation program. The place where the nation's water supply first rises is the place to begin planning and acting to accomplish its wise use. Three-fourths of the land area of the United States is privately owned, and on most of this land conservation practices are developed under programs administered by the USDA. Further, much of the land in public ownership is held in the National Forest system, also administered by the USDA. Overall, conservation programs carried out by the USDA affect nearly all of the water supply used by the American people. For this reason, the study of total water management is one of the most important parts of our research program in the U. S. Department of Agriculture. The new National Agricultural Water Management Laboratory to be located here at Durant is an important step in our plan to expand and strengthen water research. Its location here will enable us to take advantage of several special factors.

This community, as all of you know, is in the center of a vast water management area. The tremendous expanse of Lake Texoma, just a few miles from here -- which we will visit later today -- is one example of water management. But there are many others.

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The Washita Basin, including one million acres of alluvial land, drains directly into Lake Texoma. Within this vast watershed there are three Bureau of Reclamation water conservation structures and nearly 900 flood-retarding, multipurpose and stabilization structures already installed or being constructed through programs of the USDA. An additional 260 structures are planned.

The USDA has a watershed development study underway on the Washita River with headquarters at Chickasha, Oklahoma. The Department of Health, Education and Welfare has a large water quality laboratory located at Ada, Oklahoma.

All these activities make this location an excellent spot for a laboratory on water management. What's more, the presence of Southeastern State College will enable us to be near an academic institution with research laboratories and professional and scientific personnel.

Another important factor is the attitude of the community. Congressman Carl Albert impressed on me some time ago that there is tremendous interest here in supporting this development since it will bolster the agricultural and general economic growth of the Durant area. I want to take this opportunity to pay sincere tribute to Carl Albert, and to indicate to the people he represents the high regard in which he is held. As Majority Leader in the House of Representatives, he carries out with great effectiveness one of the toughest jobs in the world. His dedication to conservation -- to the wise use of our resources -- is symbolized by this laboratory and by the quest for knowledge it represents.

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The Congressman recognizes, as do all people concerned with the challenge of a growing demand for a limited amount of water, that we must know much more about the techniques of preventing contamination by farm practices. Thus, this new laboratory must quickly become operational.

There is a growing need to know more about the effect of agricultural chemicals upon the quality of water flowing into our streams or seeping into ground water supplies after these chemicals have been used.

It is indisputable that we must maintain food and fiber abundance if we are to achieve the greatness that is within our reach as a Nation. And, likewise, the importance of chemicals in the production process is indisputable.

But if we can achieve abundance only by polluting our environment, then we will have lost all hope of ever reaching our National goals.

Thus, the task of the Department of Agriculture ... and of the whole agricultural economy is to assure abundance in an environment where pollution is considered as dangerous an enemy as the insects and diseases which attack our crops.

Like most objectives, this one is much easier "said than done." And right now, the path ahead is lit only dimly. We need the light of a great deal more knowledge.

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The establishment of the laboratory here at Durant is another of the new research lightbulbs we are stringing up. But it is not the only one. The work at Durant will be tied closely to research on erosion and water run-off at research centers in the Northeast, the Upper Midwest and the Southeast. Work in these centers already has shown that conservation management practices can greatly reduce the volume of pesticides in run-off water.

The intensive agriculture practiced here in the Red River Valley requires the use of appreciable quantities of agricultural chemicals -- largely pesticides and fertilizers. Through such water management systems as the one on the Washita, we will have an excellent opportunity to study and determine more exactly what happens to these chemicals and what their effects may be.

The major objective of the research planned for the laboratory is two-fold. First, we hope to determine whether and how water affects the movement of pesticides ... nitrates and other fertilizers ... and organic material ... from farmland into water supplies. And second, as we gather this knowledge, we will develop management practices that will reduce to a minimum the movement of these materials into ground and water supplies.

You will be interested to know that we have recently completed two years of a special monitoring program of the Mississippi delta area to measure the effects of pesticides used in the farming operations there.

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The first year results indicate no progressive buildup of pesticides in soil, sediment and water -- and that pesticides applied to crops have not resulted in significant amounts of residue in silt.

This monitoring program is part of a much broader cooperative program carried out by the USDA, the Department of Interior and the Department of Health, Education and Welfare to gain more knowledge of pollution and its causes.

Currently, the USDA is measuring pesticide residues in soils, sediment, water, crops, livestock and fish and wildlife, with special attention on the effect of pesticides on beneficial insects -- such as bees -- and on stock ponds and other water sources. This monitoring program is being carried out in 55 locations throughout the nation.

In conjunction with this operation, HEW is collecting information which will tell us something about the level of pesticides in the general population. This study, which will compare the average citizen with those people who are highly exposed to pesticides in their work, is being carried out in a 15-State area.

While HEW and USDA are gathering this information, Interior will be collecting data at 50 sites throughout the country which will tell us more about the effects of pesticides on wild birds and animals and on fish and shellfish.

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Thus, we seek to increase our knowledge as rapidly as possible so that we will know what to do to insure the continued enjoyment of abundance ... in an atmosphere, an environment that is free of pollution.

Wherever possible we will employ techniques which do not involve the use of chemicals. For example, the screwworm fly, a costly livestock pest, has for all practical purposes been eliminated in the Southeast and the Southwest through a biological technique of releasing sterilized male flies in such number that the screwworm fly eliminates itself.

In some cases, this will involve even more rigorous attention to safety measures. We have followed closely every report of personal injury or of damage to wildlife or animal population attributed to chemicals. In many cases, pesticides are an innocent victim -- particularly where natural biological occurrences or other less exotic pollutants have affected fish and wildlife populations. In those cases where pesticides have caused illness or death to people, practically all instances result from misuse of pesticides -- either the improper use or the application of the wrong kind of pesticide.

All studies of pesticide injuries -- by the USDA, by State agencies and by the Public Health Service -- indicate that most accidents involving pesticides happen to children ...and that most accidents involve household pesticides.

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We have been, as a result, placing strong emphasis on consumer information programs to make people aware of the need to follow directions and practice safety whenever using pesticides.

It is difficult to measure the effectiveness of this broad safety campaign, but a recent report by the President's Science Advisory committee noted that despite the increasing use and variety of pesticides, there is no evident increase in mortality attributable to their use.

This is no cause for complacency. I can assure you the USDA will maintain and intensify its efforts to insure the safe use of pesticides.

And here at Durant, we are taking another important step to learn more about the dimension of our problem.

Several possible sites for this laboratory have been reviewed. A tentative selection has been made. The location should be close to the campus of Southeastern State College to make it easy for graduate students to use the facilities ... and for close cooperation with the college staff as well as easy access to college libraries and laboratories.

Requirements for construction already have been prepared and submitted for the necessary review. An architect-engineer should be selected sometime during January. We hope to have plans available for bidding and letting a contract for construction soon after next July 1. Actual construction will take about one year. By July 1967 the staff director, and some 15 scientists and engineers and 30 supporting personnel should begin work.

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While these matters are of particular interest to the Durant community, all Americans have a major interest in the contributions the Durant laboratory can make to increase our knowledge of how to wisely use our water resources.

By 1980 we will be taking more than four times as much water from streams and reservoirs as we did in 1940.

We cannot live without water ... water to drink, water to play on or swim in, water to provide an atmosphere to relax in, water to transport merchandise, water to make industry function and commerce to proceed, water for personal comfort, water for an endless variety of tasks.

We consider water as the cheapest commodity next to air ... yet water, like air, is priceless.

If we maintain an adequate supply of clean, pure water to sustain all the uses which we have as individuals, then we can be sure of meeting all the other needs.

So let us resolve here today to push further the light of knowledge ... to learn how better to conserve and use this priceless resource of water.

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U. S. Department of Agriculture
Office of the Secretary

Earlier this week I celebrated an anniversary of sorts. Five years ago at this time I was just beginning to learn what a Secretary of Agriculture does to earn the title.

If you asked me then what a Secretary of Agriculture does, I would have told you to come back in five years and ask the question then.

And if you asked me today, I would have to say that if I told you, nobody would believe me.

He survives ... and looks forward to being among friends. I am among friends. I am glad to be here.

Our friendship has the strength of good steel, for it is forged in the fires of adversity. It has withstood many tests, and it has enabled us to achieve goals which only a few years ago seemed beyond reach.

Five years ago, when the decade of the 1960's began, an atmosphere of frustration and pessimism hung over rural America.

Wheat stocks were heading to a record level of 1.4 billion bushels, and there was a decided lack of storage space, of public understanding -- and of decent incomes for farmers.

Remarks prepared for delivery by Secretary of Agriculture Orville L. Freeman at the annual convention of the National Association of Wheat Growers, Pershing Auditorium, Lincoln, Nebraska, Thursday, December 16, 1965 at 7:30 p.m., CST.

In rural towns the income disparity that troubled farm families was reflected in decreasing sales of goods and services.

In urban areas, the first era of food abundance the civilization of man had ever known was generally looked upon as a problem instead of a miraculous production achievement.

It was against this background that we began the struggle to devise farm policies and programs that would improve farm income, exploit the opportunities of abundance, create balance between production and use, reduce surpluses and their cost to our taxpayers, make foreign food and fiber markets more profitable, and make food aid at home and abroad more purposeful.

I need not emphasize for you how difficult it has been to make progress toward these goals -- or, for that matter, to remind you that strong forces still seek to block their achievement.

The past five years have been filled with high points and low ebbs. I must admit the darkest hour for me came with the defeat of the wheat program in the referendum.

For a time I questioned whether the farmer wanted the programs he had seemingly worked so hard to obtain. I went out to farmers for weeks thereafter and talked with thousands of them all over the country, and what they told me convinced me they knew farm programs were essential.

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I also took courage from the determination of your members and leaders, and so after some months of deliberation we went to work and developed together an even better program than the one which was lost.

As a consequence, the income of wheat farmers after the first full year of the voluntary wheat certificate program was over \$500 million higher than would otherwise have been possible.

The overall return from the wheat crop this year will be about \$2.3 billion, nearly a \$100 million higher than in 1964. The crop you will harvest next year will be even better as a result of the new legislation enacted this year.

Thus, we need not ask how the battle went -- it was tough but it went well. We won. We passed an excellent wheat bill over the violent objection of some strongly entrenched and powerful forces. Now in this twilight of the year 1965, at the mid-point of the decade, it is timely that we take stock of what we have achieved -- and where we can go over the remaining years of this decade.

We have this year harvested a substantial wheat crop -- some one billion, 355 million bushels -- and virtually every bushel will be sold above the loan rate. This, combined with the sale of other farm products, will bring farmers a net income this year of at least \$14 billion. This is the highest net income level in 12 years, and it has been exceeded only five other times this century.

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Next year, the new program recently enacted with the dedicated leadership of President Johnson, will enable participating wheat farmers to increase net incomes by some \$250 million as the wheat producer achieves full parity for wheat produced for domestic food use.

And while farmers have been doing better, so have consumers. The real cost of food, measured in terms of family income spent to get it, is the lowest in history. Its quality, and variety, are better than ever before. While in 1965 the price of food rose about 2 percent, we can anticipate that in 1966 it will settle back to the one percent increase which was the pattern prior to this year. One percent is well under the rise in family income, and thus food prices will be a stabilizing force in our rapidly-growing economy.

Wheat stocks will have been whittled down to about 700 million bushels by the end of this marketing year -- assuming the present rate of use. This is a reasonable and yet adequate supply. The ever-normal-granary concept, which has helped farmers in times when high production threatened to bring fire sale prices, is now working to assure adequate supplies of wheat. The resulting stability of price and income is in the national interest for it serves the long range interests of farmer and non-farmer alike.

Across the country, and particularly in the cities, there is a growing appreciation for abundance and for the family farm system that brings it to us. And there is a better understanding of the

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importance of agriculture to the health and growth of our economy, and our role in world affairs.

We have come a long way.

And we are equipped, by experience and with the legislation created in the recent session of Congress -- for which this Association can show justifiable pride -- to move forward with greater confidence and with more flexible food and farm program power.

The estimated value of our farm exports for calendar year 1965 is \$6.1 billion, an all-time record. Export markets today account for one of every six dollars the farmer earns from sales of his products.

I believe the Food and Agriculture Act of 1965 will be regarded as a major turning point in food and farm policy.

It applies the principle that the individual farmer must have maximum flexibility to use his judgment and managerial skills, while at the same time the government must have maximum latitude to provide incentives so production can be quickly adjusted to meet needs.

Despite the fact that three decades of experience went into its creation, there has been nothing in our farm and food policy of the past comparable to the Food and Agriculture Act of 1965.

It uses the market -- the market here at home and the foreign market -- to the maximum degree to establish prices, and to allocate resources. It preserves in a modern context our free enterprise economy.

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It extends the use of direct payments in combination with commodity loans to balance production with use and thereby keep farm income strong and reasonably stable.

It encourages, through its Cropland Adjustment Program feature, new uses for land not needed for crops -- uses which can give more people, rural and urban, desperately-needed space in which to rest and play, hunt and fish, to know fresh air and appreciate clean water and outdoor beauty.

All through the new policy -- sharp and clear -- is the fact that abundance at last is a part of the mechanism rather than an extra accessory.

If I were asked to cite a single, dominant characteristic of the new farm program in just one word it would be: Flexibility.

This legislation will make it possible for the farmer to provide a quick, effective response to any demands for increased food production. The authority provided in the Food and Agriculture Act for diverting cropland from production is double-edged ... it can also be used to bring back into production those same acres -- now totaling around 50 million. And this 50 million figure represents only part of the land resources we can turn into crop acres if the need develops.

Also, the mechanism exists for shifting land resources in the many versatile sectors of our agriculture from one crop to another.

If the need developed, we could double our wheat production in two years -- and get most of the increase the first year.

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Increased reliance on market demand as the key factor in market pricing means the farmer will be able to price his products competitively in both domestic and world markets. This means that there will be decreased acquisition and disposal of stocks through Government channels.

This approach will not only slow the development of substitutes for traditional farm commodities at home, it will strengthen our agriculture's position in world trade by minimizing export subsidies.

So far I have tried to outline briefly for you where we have been and where we now stand in American agriculture. Now I propose to venture into the future with some predictions. What are the potentials, in food and fiber production and use, through the balance of the 60's?

1. The explosion in productivity which began in the early 1950's will continue unabated on American farms. We'll keep on getting more pounds, bushels and bales per acre. Change will continue to be the dominant theme in American agriculture.

2. Our capacity to produce will continue to stay ahead of our ability to consume at home and sell abroad. The steady domestic economic growth -- now nearing the end of its fifth consecutive year -- will cause some shifts in consumption patterns, but total consumption of food will rise only about as fast as the population grows.

3. World demand for American food will rise more rapidly than the needs of domestic markets. Rising incomes abroad will give us new export opportunities, and the failure of agriculture in Communist Nations will add a new dimension to world markets.

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4. We will continue to maintain adequate reserves of food and fiber -- as opposed to unneeded surpluses; adequate to respond to emergency needs at home and abroad -- while preserving the capacity to expand production.

Now that we are making reasonable progress toward the goals of better farm income ... a better balance of production with demand ... and a reduction of surpluses and their cost, we must continue to administer and use the farm programs responsibly if we are to realize these goals fully.

I need not remind you that this involves an awareness that we are dealing now with an urban Congress ... and that the support of urban Congressmen has been instrumental in the progress we have made.

This means that the new farm program, including the vital wheat section, must be used with good sense and judgment so that each of the nearly 200 million Americans is aware of the value and importance of farm programs.

The man in the city, even though he may grumble vaguely about "costly surpluses," supports the concept of the ever-normal-granary. We now are seeing that concept in operation today in a way that emphasizes its value and importance to the non-farmer -- and those who grumble about farm programs can see how their interests are directly involved.

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The announcement yesterday of the sales policy for CCC wheat stocks represents the ever-normal-granary in action. Wheat acquired when production exceeded the demand for it now will be made available when it is needed. The price and income stability that results is in the long-term interest of producers and the nation as a whole.

The new farm policy contained in the Food and Agriculture Act of 1965, used responsibly and responsively by farmers and government, will enable our agriculture to make certain that:

1. Our consumers will be eating better and at less real cost by 1970 than now. Today more than 195 million of us enjoy an abundance of top-quality foods and spend about 18.5 percent of disposable income for it -- nowhere else in the world is food so plentiful, and cheap. But by 1970 more than 209 million Americans will be eating more meat, poultry, fresh fruit and vegetables and spending only 17 percent of their disposable incomes for their foods. The average American family will have \$160 more to spend for things other than food by 1970, because the family farm will be an even more efficient producer than it is today.

2. Farm exports will continue their expansion. Now exceeding \$6 billion a year, a gain of \$1.5 billion since 1960, they'll rise above \$7 billion by 1970 -- with most of the increase in dollar sales.

3. Net farm income over the next four years will average nearly \$2 billion a year higher than during the last half of the 1950's.

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Net income per farm this year amounts to more than \$4,100 -- a gain of 40 percent over 1960. The income gap between farm and non-farm people is narrowing, and equality in income opportunity is a realistic possibility of this decade.

These projections are not just dreams or hopes. They are possible because our farmers are not only capable of producing abundance but also are better able to make positive use of it.

In signing the Food and Agriculture Act of 1965, President Johnson emphasized that it sets a course of farm policy geared to growth, and has forged a new link with the future.

And the President recognized its importance when he said the Food and Agriculture Act of 1965 "takes its place proudly with expanded aid to education, immigration reforms, medical care for the aged and other health legislation, and voting rights for all Americans, as a milestone of the most productive and constructive legislative session in our history."

As we go into a new year ... as we face up to the challenges and opportunities that lie ahead ... American agriculture is prepared for the most productive constructive period of its entire history.

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